A Strategic Recommendation on Dyno Nobel

RJJ CAPITAL



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nash. ADVISORY

SGH

DYNO Dyno Nobel

Executive Summary

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DYNO Dyno Nobel

Recommendation

Given Dyno Nobel's unique offerings and position. Its acquisition by SGH is driven by a strong strategic fit, favorable valuation and key synergies.

Investment Thesis

- **Operational Cost Synergies**
- **Mining Industry Presence**

Valuation

STANDALONE	OFFER PRICE	CONTROL PREMIUM
A$5.895 B	A$3.45	35.29%

Risks

- **Market Share & Profitability**
- **Financial**
- **Regulatory & Environmental**

Dyno Nobel Overview

Dyno Nobel is an Australian Chemical Company specialising in fertilisers and explosives

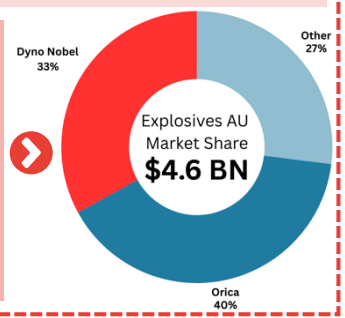
Dyno Nobel's Key Metrics

Revenue	APAC Revenue	EBIT	EBIT Margin
5364.9 M	3576.4 M	579.8 M	10.8%

Explosives are used in the mining sector for rapid excavation as an alternative to mechanical digging

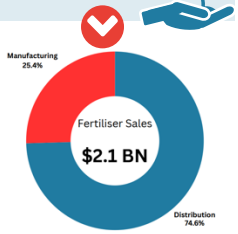
#2

Largest Explosives Manufacturer in Australia



2.7 Mt

Fertiliser Sold FY24



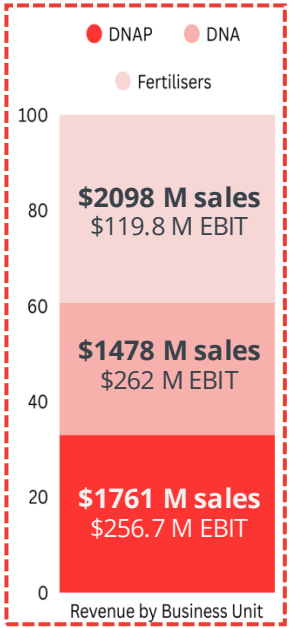
Operating Information

COMPETITIVE ADVANTAGE:

Control over entire Fertiliser Value Chain: Integrated procurement (phosphate), manufacturing and distribution

Diversified Business Model: Balanced exposure across Americas & APAC and mining, agriculture & construction sectors

Long-term customer contracts: Secured revenue base with reduced earnings volatility



Dyno Nobel Australian Operations

Primary Ammonia Plant

Phosphate Hill Manufacturing Complex

Primary Ammonia Nitrate Plant

Moranbah Ammonium Nitrate Complex

North Queensland Gas Pipeline Station

Primary Distribution Centres

Geelong, Victoria

Port Lincoln, South Australia

Cairns, Queensland

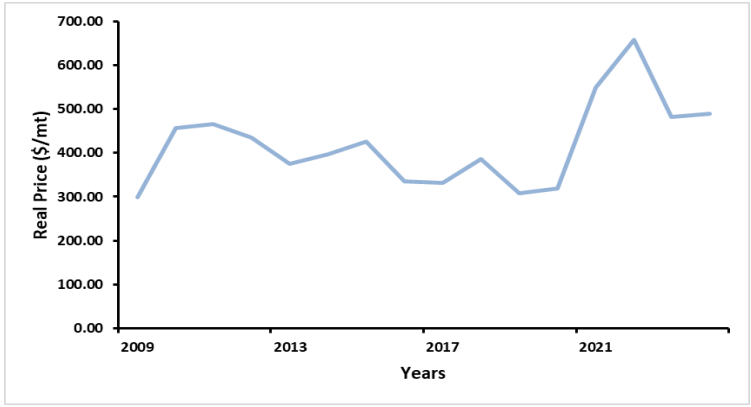
Kalgoorlie, Western Australia

Strong Input Cost Synergies

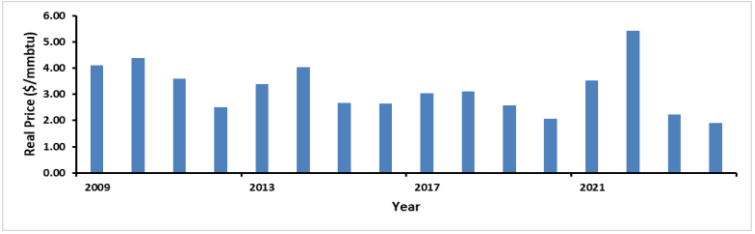
Significant cost savings driven by vertical integration

Vertical Integration	SGH's natural gas assets (Beach Energy & SGH Energy) are critical in Ammonia Supply chains.
Disrupted Gas Supply	Dyno Nobel has faced gas supply disruptions, leading to $79 Million in losses (FY23). SGH's natural gas supply ensures reliability, enhancing overall cost stability.
Low Earnings Margins	Dyno Nobel's relatively low earnings margins are largely driven by natural gas costs. Securing a reliable supply would improve margins, greatly boosting profitability

Ammonia Commodity Prices (Real)



Natural Gas Commodity Prices (Real)



Source: World Bank Commodity Price Data

The Case for Reopening Gibson Island

Dyno Nobel has written down the value of fertiliser manufacturing assets after failing to sell the business sin order to divest.

Why?

Rising Gas Prices

Following COVID gas input costs rose by over 40% to $13.5/GJ

Poor Gas Procurement Contracts

Following conclusion of long term gas contracts, Dyno Nobel has not able to secure more favourable contracts, leading to reliance on short term contracts

SGH Sourcing Potential

SGH Owned Gas Assets offer unique capacity and potential to procure cheap gas

40%

Unutilised Fertiliser Production Capacity

25%

Unutilised Gas production Capacity in SGH Assets

$13.5 to 9.5 /GJ

Potential unit input cost savings

200 M kmt

Potential unit input cost savings

$1052 M

Present Value of potential Cost Synergies

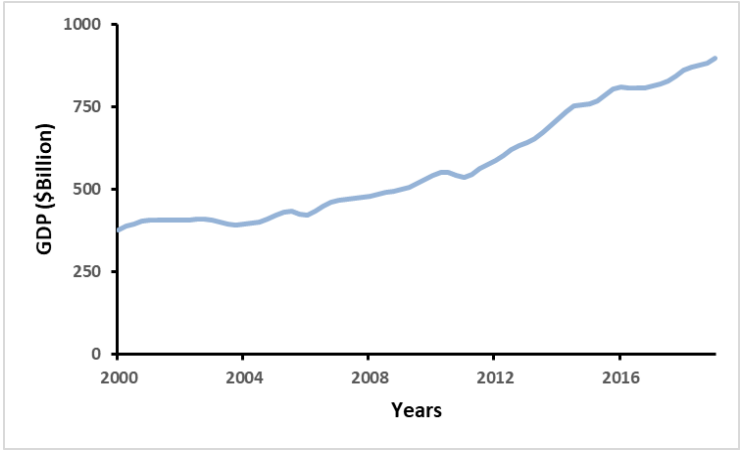
Source: World Bank Commodity Price Data

Increased Mining Industry Presence

Dyno Nobel's unique position strengthens, SGH's influence in the mining sector

Product Bundling	By integrating Dyno Nobel's explosives with Westrac's heavy machinery. SGH can deliver competitive end-to-end mining solutions.
International Clientele	Existing operations in North America position Dyno Nobel as a key asset for future expansion
General Influence & Scale	Dyno Nobel's large-scale operations enhance SGH's bargaining power and economies of scale. Improving influence across global mining networks.

Australian Mining Sector (GDP)



CAGR (2000 – 2019)
4.95%

Source: Australian Bureau of Statistics

Revenue Synergies

$20 M	**Cross-sell Dyno Nobel explosive to Boral**	Boral is Australia's leading integrated construction materials company with significant **quarrying operations** (e.g. limestone, aggregate) — all of which require **blasting services and explosives**
$10 M	**Expand fertiliser sales via Coates**	**Coates** (SGH-owned) is Australia's largest industrial equipment hire firm with broad penetration in **regional and rural areas**, especially those aligned with **agricultural infrastructure** and **irrigation/farming operations.**
$25 M	**Product bundling: IPF additivies in Boral Concrete**	IPL's fertiliser division includes advanced **soil and nitrogen technologies** (e.g., **eNpower®**, a de-nitrification inhibitor), which could complement **Boral's soil-based concrete mixes**, particularly for eco-concrete
$42 M	**Leverage SGH's Infrastructure and mining clients**	SGH's portfolio (WesTrac, Boral, Coates) has deep reach into **infrastructure and mining**, sectors already serviced by Dyno Nobel. There's opportunity to bundle or introduce **blasting and chemical services** to existing SGH industrial clients.
$20 M	**Export growth via SGH's logistics and capital strength**	SGH has experience managing **global industrial logistics**, and IPL's global fertiliser and explosive footprint can be amplified through SGH's backing, e.g., in **Asia, LATAM, MENA**.

Recent Transactions

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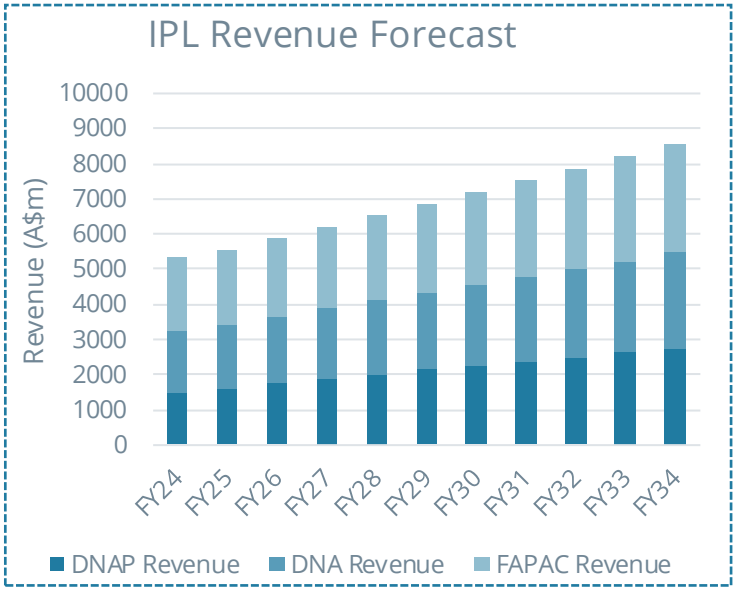
Acquirer: Gold Fields (JSE: GFI) **Target:** Gold Road Resources (ASX: GOR) **Date:** March 2025	**Acquirer:** Peabody Energy (NYSE: BTU) **Target:** Anglo American Australian Coal Portfolio (LON: AAL) **Date:** November 2024
Deal Value: A$3.3 Billion (A$3.05 per share) **EV/EBITDA:** 11.2x	**Deal Value:** US$3.8 Billion **EV/EBITDA:** 2.9x
Strategic Rationale: Unlock long-term growth potential in western Australia	**Strategic Rationale:** Expand Peabody's presence in premium coal used for steelmaking
Implied Dyno Nobel EV: A$9259.03 M	**Implied Dyno Nobel EV:** A$2397.43 M

Revenue Forecast



Growth Drivers

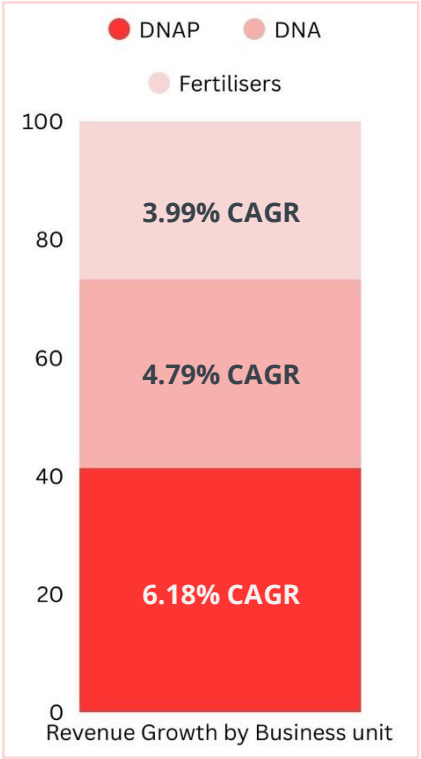
1. **Increased mining demand** → Explosives volume growth (DNA & DNAP)

2. **Agricultural recovery** → Fertiliser distribution volume rebound

3. **Operational efficiencies / Contract wins** → Supports DNA growth

4. **International expansion** → DNAP volume and revenue growth

5. **Integrated supply chain** → FAPAC margin and volume resilience



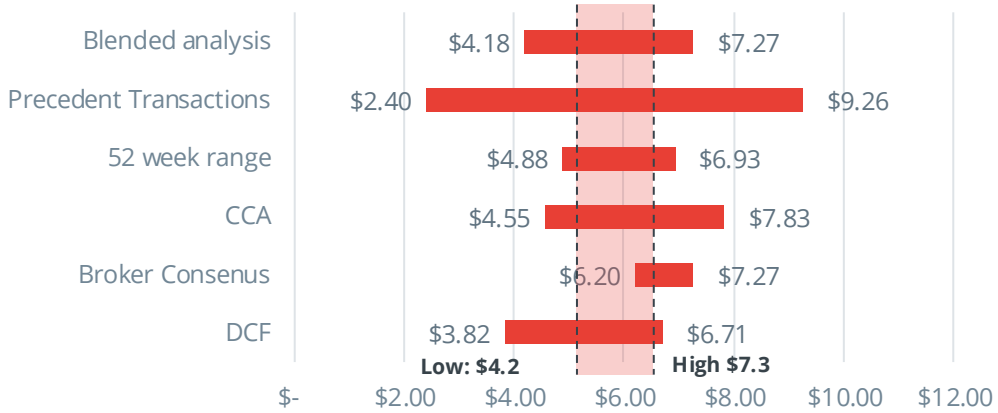
Standalone Valuation

$5,895 M

Base Valuation

	Bear	Base	Bull
Probability	10%	65%	25%
EV	$4,181.91	$5,895.36	$ 7271.95
Upside	-31.77%	3.71%	33.99%

Football Field analysis ($Bn)



Sensitivity Analysis

WACC

Exit Multiple	7.84%	8.84%	9.84%	10.84%	11.84%
4.5	$ 5,234.09	$ 4,936.94	$ 4,661.30	$ 4,407.69	$ 4,171.87
5	$ 5,412.10	$ 5,100.76	$ 4,812.13	$ 4,546.75	$ 4,300.13
5.5	$ 5,590.12	$ 5,264.58	$ 4,962.97	$ 4,685.80	$ 4,428.39
6	$ 5,768.13	$ 5,428.40	$ 5,113.81	$ 4,824.86	$ 4,556.65
6.5	$ 5,946.14	$ 5,592.23	$ 5,264.65	$ 4,963.92	$ 4,684.91
7	$ 6,124.15	$ 5,756.05	$ 5,415.48	$ 5,102.98	$ 4,813.17
7.5	$ 6,302.16	$ 5,919.87	$ 5,566.32	$ 5,242.04	$ 4,941.43

Offer to Dyno Nobel Shareholders

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Intrinsic Valuation

DCF	COMPARATIVE	BROKER	PRECEDENCE	SYNERGY
A$5.381 B	A$6.101 B	A$6.862 B	A$6.861 B	A$1.051 B

Market Valuation

Market Cap	Net Debt	Enterprise Value
A$4.77 B	A$886.5 M	A$5.66 B

Offer

A$6.421 B
(55% DCF I 20% Comparative I 15% Broker I 10% Precedence)
(+50% Expected Synergy)

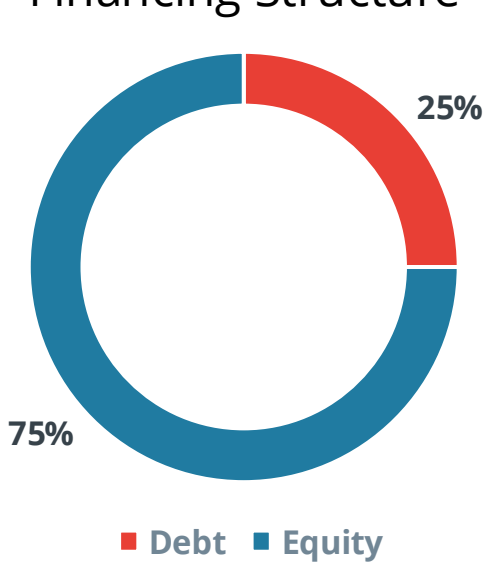
Control Premium
35.29%

Current Share Price	SGH Offer Price
A$2.55	A$3.45

Financing Strategy

In line with SGH's target leverage ratio we propose the following financing structure for Dyno Nobel.

Equity	Debt
4.82 Billion	**1.60 Billion**
Shares exchange ratio: 0.0552 **Shares Issued:** 102.64 million shares @ 46.95 (11/04/25)	**Undrawn borrowing facilities**: totaled **1,391.7 million** in Dec 2024. **Domestic Bank Commitments:** up to A$3 B in loan bridge facilities
A$ Paid to Dyno Nobel Shareholders via SGH Share Exchange	**A$ Paid to Dyno Nobel Shareholders via Cash**
A$2.59 Per Share	**A$0.86** per Share



Business Risks

Market Share & Profitability

CYCLICAL DEMAND:
Mining and construction cycles may impact demand for explosives and blasting services

COST ESCALATION:
Volatile commodity prices can squeeze profitability, particularly natural gas

MITIGATIONS:
Diversified product offerings, Vertical Integration

Financial Risk

HIGH FIXED COSTS:
The explosives industry is **capital intensive,** requiring significant ongoing investment

CURRENCY RISK:
Dyno Nobel's **International operations** introduce currency risk between AUD & USD.

MITIGATIONS:
Optimise asset utilisation, FX hedging strategies

Regulatory & Environmental

REGULATORY COMPLIANCE:
Strict safety and environmental regulations in the explosives industry can raise compliance costs and cause project delays.

ENVIRONMENTAL RISKS:
Emissions and chemical handling may face increasing public scrutiny and tightening policy frameworks

MITIGATIONS:
Proactive ESG reporting, Sustainability Initiatives

Final Recommendation

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DYNO Dyno Nobel

We recommend that SGH pursue the acquisition of Dyno Nobel

Thesis	Offer	Risks
Operational cost synergies & increased presence in mining industry	A$6.421B Offer ($3.45 per share)	Minimal risks and strong mitigations

Appendix

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Appendix A

DCF Valuation Part 1

DCF Valuation 2 & Synergy Integration

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Employment Schedule
Freight Cost Schedule

Gas Commodity Futures Curve

Valuation Summary

Appendix A: DCF Valuation Part 1

Operating Profit

Dyno Nobel Revenue	$ 2,526.50	$ 3,733.30	$ 3,276.80	$ 3,239.10	3330.1	3569.8	3819.0	4035.6	4264.9	4485.5	4694.0	4912.8	5142.2	5382.8
% growth		*48%*	*-12%*	*-1%*	*3%*	*7%*	*7%*	*6%*	*6%*	*5%*	*5%*	*5%*	*5%*	*5%*
Fertiliser Revenue	$ 1,894.60	$ 2,647.80	$ 2,808.00	$ 2,184.40	2171.4	2249.3	2332.4	2426.0	2530.3	2636.1	2746.5	2855.5	2968.8	3086.7
% growth		*40%*	*6%*	*-22%*	*-1%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
Revenue	$ 4,348.50	$ 6,315.30	$ 6,008.10	$ 5,364.90	5501.5	5819.1	6151.5	6461.7	6795.2	7121.6	7440.6	7768.3	8111.0	8469.5
% growth		*45%*	*-5%*	*-11%*	*3%*	*6%*	*6%*	*5%*	*5%*	*5%*	*4%*	*4%*	*4%*	*4%*
CoGs	$ (2,158.50)	$ (3,273.20)	$ (2,773.30)	$ (2,603.60)	$ (2,559.87)	$ (2,591.25)	$ (2,696.20)	$ (2,786.93)	$ (2,978.34)	$ (3,171.25)	$ (3,313.30)	$ (3,495.72)	$ (3,649.95)	$ (3,811.27)
% sales	*-50%*	*-52%*	*-46%*	*-49%*	*-47%*	*-45%*	*-44%*	*-43%*	*-44%*	*-45%*	*-45%*	*-45%*	*-45%*	*-45%*
Gross Profit	$ 2,190.00	$ 3,042.10	$ 3,234.80	$ 2,761.30	2941.6	3227.8	3455.3	3674.7	3816.8	3950.3	4127.3	4272.6	4461.1	4658.2

Operating Expenses

Employee Expenses	$ (701.50)	$ (787.70)	$ (889.40)	$ (962.20)	$ (1,040.62)	$ (1,125.43)	$ (1,205.56)	$ (1,278.98)	$ (1,356.87)	$ (1,425.53)	$ (1,468.58)	$ (1,512.93)	$ (1,558.62)	$ (1,605.69)
% sales		*12%*	*13%*	*8%*	*8.15%*	*8.15%*	*7.12%*	*6.09%*	*6.09%*	*5.06%*	*3.02%*	*3.02%*	*3.02%*	*3.02%*
Outgoing Freight	$ (286.60)	$ (322.70)	$ (331.70)	$ (343.50)	$ (370.28)	$ (398.83)	$ (430.40)	$ (464.21)	$ (500.90)	$ (541.26)	$ (584.37)	$ (629.38)	$ (677.88)	$ (730.17)
% sales		*13%*	*3%*	*4%*	*7.80%*	*7.71%*	*7.92%*	*7.86%*	*7.91%*	*8.06%*	*7.97%*	*7.70%*	*7.71%*	*7.71%*
Other expenses	$ (836.00)	$ (947.40)	$ (1,101.80)	$ (973.90)	$ (1,024.75)	$ (1,078.25)	$ (1,134.55)	$ (1,193.78)	$ (1,256.11)	$ (1,321.69)	$ (1,390.70)	$ (1,463.31)	$ (1,539.71)	$ (1,620.10)
% sales		*13%*	*16%*	*-12%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*	*5.2%*
EBIT	$365.90	$984.30	$713.70	$481.70	506.0	625.3	684.7	737.8	702.9	661.8	683.6	666.9	684.8	702.3
% ebit margin	*8%*	*16%*	*12%*	*9%*	*9.2%*	*10.7%*	*11.1%*	*11.4%*	*10.3%*	*9.3%*	*9.2%*	*8.6%*	*8.4%*	*8.3%*
Depreciation & Ammortisation	$368.50	$372.50	$335.60	$345.00	$ 230.88	$ 358.86	$ 402.98	$ 449.62	$ 486.37	$ 525.02	$ 558.77	$ 651.77	$ 748.88	$ 850.26
Capex	$355.00	$434.00	$495.10	$378.70	550.15	465.53	492.12	387.70	407.71	356.08	372.03	388.41	405.55	423.47
% sales	*8.2%*	*6.9%*	*8.2%*	*7.1%*	*10.0%*	*8.0%*	*8.0%*	*6.0%*	*6.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Net Working Capital	($328.10)	$520.90	$328.20	$549.40	$609.53	$559.08	$568.18	$574.41	$601.77	$628.29	$656.43	$683.59	$713.75	$745.30
ΔNWC	$127.00	$849.00	($192.70)	$221.20	$60.13	($50.45)	$9.10	$6.23	$27.37	$26.51	$28.14	$27.16	$30.16	$31.55
FCF	$396.63	($221.49)	$532.79	$82.29	($25.20)	$381.50	$381.08	$572.13	$543.36	$605.71	$637.12	$703.05	$792.56	$886.83
% growth		*-156%*	*-341%*	*-85%*	*-131%*	*-1614%*	*0%*	*50%*	*-5%*	*11%*	*5%*	*10%*	*13%*	*12%*
Discounted Cash Flows					$ (25.20)	$ 347.31	$ 315.85	$ 431.69	$ 373.24	$ 378.79	$ 362.73	$ 364.40	$ 373.98	$ 380.96

Appendix A: DCF Valuation 2 & Synergy Integration

FAIR VALUE CALCULATION	
PV of FCFs	$ 3,303.76
TV g	2%
FV(TVg) @ T = 2034	$ 3,934.12
PV of TV g	$ 1,690.02
NPV g	$ 4,993.77
Current date adjustment	1.077613242
Total enterprise value TVg	**$ 5,381.36**
TV exit multiple	$ 6.00
TVm @ T = 2034	$ 4,213.54
PV(TVm)	$ 1,810.05
Total enterprise value TVm	**$ 5,113.81**

Synergy Integration	
Total enterprise value TVg	$ 5,381.36
Total enterprise value TVm	$ 5,113.81
Present value of Net After Tax revenue synergies	$ 91.64
Present value of Net After Tax cost synergies	$ 1,051.88
Maximum cash offer TVm	**$ 6,257.34**
Maximum cash offer TVg	**$ 6,524.88**

Appendix A: Scenario Analysis

BEAR CASE	
Total enterprise value TVg	$ 3,823.75
Total enterprise value TVm	$ 3,081.10
Maximum cash offer TVm	$ 4,064.00
Maximum cash offer TVg	$ 4,806.65
Distribution Volume	1.0–1.5% p.a. – weaker farm demand
Australian Coal Volume	0.5% p.a. – coal cycle softness
Base & Precious Metals Volume	3.5% p.a. – softer CapEx from miners
International Volume	1.5% p.a. – macro/political headwinds
Explosives Volume	1.0–2.0% p.a. – project delays
AP & IC Volume	1.0–1.5% p.a. – demand weakness
Ammonium Phosphate (AP) Price	–5.2% to +1.5% – longer soft patch recovery
Urea Price	–3.5% to +1.0% – global oversupply persists
Gas Cost (with acquisition)	**$10.5 → $11.7/GJ** – sustained input pressure
Gas Cost (without acquisition)	+3.5% p.a. – ongoing cost inflation

BASE CASE	
Total enterprise value TVg	$ 5,381.36
Total enterprise value TVm	$ 5,113.81
Maximum cash offer TVm	$ 6,257.34
Maximum cash offer TVg	$ 6,524.88
Distribution Volume	2.0–4.0% p.a. – normal seasonal conditions
Australian Coal Volume	2.0% p.a. – steady output
Base & Precious Metals Volume	4.5% p.a. – stable demand
International Volume	3.0% p.a. – steady global contracts
Explosives Volume	2.0–3.0% p.a. – normal usage
AP & IC Volume	2.0–3.0% p.a. – typical market
Ammonium Phosphate (AP) Price	–4.2% to +2.5% – moderate rebound over time
Urea Price	–2.5% to +2.0% – mid-cycle stabilisation
Gas Cost (with acquisition)	**$9.5 → $10.7/GJ** – moderate input cost growth
Gas Cost (without acquisition)	–10% in Year 1, then +1–3% p.a.

BULL CASE	
Total enterprise value TVg	$ 6,706.21
Total enterprise value TVm	$ 6,853.65
Maximum cash offer TVm	$ 8,256.33
Maximum cash offer TVg	$ 8,108.89
Distribution Volume	3.0–5.0% p.a. – strong crop cycle
Australian Coal Volume	2.5% p.a. – strong export demand
Base & Precious Metals Volume	5.0% p.a. – battery metals boom
International Volume	4.0% p.a. – regional growth + new tenders
Explosives Volume	3.0–4.0% p.a. – higher throughput + tech uplift
AP & IC Volume	3.0–4.0% p.a. – energy/Asia demand lift
Ammonium Phosphate (AP) Price	–3.2% to +3.5% – early and stronger recovery
Urea Price	–1.5% to +3.0% – recovery on supply tightening
Gas Cost (with acquisition)	**$8.5 → $9.7/GJ** – efficient sourcing, synergy
Gas Cost (without acquisition)	–13% Year 1, stabilising thereafter

Appendix A: Revenue Build DNA

DYNO NOBEL AMERICAS

Explosives Volume (kmt)	464.70	534.92	427.81	530.98	546.91	563.31	580.21	594.72	609.59	624.83	637.32	650.07	663.07	676.33
% change		*15.1%*	*-20.0%*	*24.1%*	*3.0%*	*3.0%*	*3.0%*	*2.5%*	*2.5%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Explosives Price (A$)	$ 2,400.00	$ 2,520.00	$ 2,620.80	$ 2,699.42	$ 2,780.41	$ 2,863.82	$ 2,935.41	$ 3,008.80	$ 3,084.02	$ 3,161.12	$ 3,224.34	$ 3,288.83	$ 3,354.61	$ 3,421.70
% change		5.0%	4.0%	3.0%	*3.0%*	*3.0%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Explosives Revenue (A$m)	$ 1,115.28	$ 1,348.00	$ 1,121.21	$ 1,433.33	$ 1,520.62	$ 1,613.23	$ 1,703.17	$ 1,789.39	$ 1,879.98	$ 1,975.15	$ 2,054.95	$ 2,137.97	$ 2,224.34	$ 2,314.20
Waggaman Volume (kmt)	563.50	745.90	829.60	-	-	-	-	-	-	-	-	-	-	-
% change		*32%*	*11%*	*-100%*	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Waggaman Price (A$)	$ 394.14	$ 1,060.32	$ 545.34	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
% change		169%	-49%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Waggaman Revenue (A$m)	$ 222.10	$ 790.89	$ 452.41	$ 80.43	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AP & IC Volume (kmt)	230.00	276.00	287.04	258.34	266.09	274.07	282.29	289.35	296.58	304.00	310.08	316.28	322.60	329.06
% change		*20.0%*	*4.0%*	*-10.0%*	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%
AP & IC Price (A$)	$ 732.87	$ 1,427.41	$ 708.11	$ 959.32	$ 988.10	$ 1,017.74	$ 1,048.27	$ 1,074.48	$ 1,101.34	$ 1,128.87	$ 1,151.45	$ 1,174.48	$ 1,197.97	$ 1,221.93
% change		95%	-50%	35%	*3.0%*	*3.0%*	*3.0%*	*2.5%*	*2.5%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
AP & IC Revenue (A$m)	$ 168.56	$ 393.97	$ 203.25	$ 247.83	$ 262.92	$ 278.93	$ 295.92	$ 310.90	$ 326.64	$ 343.17	$ 357.04	$ 371.46	$ 386.47	$ 402.08
DNA revenue ($m)	**$ 1,506.50**	**$ 2,532.90**	**$ 1,776.20**	**$ 1,760.70**	**$ 1,783.54**	**$ 1,892.16**	**$ 1,999.08**	**$ 2,100.29**	**$ 2,206.61**	**$ 2,318.32**	**$ 2,411.99**	**$ 2,509.43**	**$ 2,610.81**	**$ 2,716.29**

Appendix A: Revenue Build DNAP

DYNO NOBEL APAC

DNAP Volume	683.70	720.00	756.90	722.80	745.60	769.22	793.66	818.98	845.21	872.37	900.51	929.66	959.87	991.17
Australian Coal Volume (kmt)	341.85	295.20	280.05	289.12	294.90	300.80	306.82	312.95	319.21	325.60	332.11	338.75	345.53	352.44
% of volume	*50%*	*41%*	*37%*	*40%*	40%	39%	39%	38%	38%	37%	37%	36%	36%	36%
% change		*-13.6%*	*-5.1%*	*3.2%*	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Ammonium Nitrate Price (A$)	$ 1,371.65	$ 1,667.22	$ 1,982.56	$ 2,045.38	$ 2,168.10	$ 2,276.51	$ 2,390.33	$ 2,462.04	$ 2,535.90	$ 2,586.62	$ 2,638.35	$ 2,691.12	$ 2,744.94	$ 2,799.84
% change		*22%*	*19%*	*3%*	*6.0%*	*5.0%*	*5.0%*	*3.0%*	*3.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Australian Coal Revenue (A$m)	$ 471.60	$ 499.20	$ 556.40	$ 593.70	$ 639.38	$ 684.77	$ 733.39	$ 770.50	$ 809.49	$ 842.19	$ 876.22	$ 911.62	$ 948.45	$ 986.76
Base & Precious Metals Volume (kmt)	273.48	295.20	280.05	267.44	279.47	292.05	305.19	318.92	333.27	348.27	363.94	380.32	397.44	415.32
% of volume	*40%*	*41%*	*37%*	*37%*	37%	38%	38%	39%	39%	40%	40%	41%	41%	42%
% change		*8%*	*-5%*	*-5%*	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Ammonium Nitrate Price (A$)	$ 1,371.65	$ 1,667.22	$ 1,982.56	$ 2,045.38	$ 2,168.10	$ 2,276.51	$ 2,390.33	$ 2,462.04	$ 2,535.90	$ 2,586.62	$ 2,638.35	$ 2,691.12	$ 2,744.94	$ 2,799.84
% change		*22%*	*19%*	*3%*	*6.0%*	*5.0%*	*5.0%*	*3.0%*	*3.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Base & Precious Metals Revenue (A$m)	$ 377.30	$ 489.50	$ 550.40	$ 540.20	$ 605.92	$ 664.85	$ 729.50	$ 785.20	$ 845.15	$ 900.85	$ 960.21	$ 1,023.49	$ 1,090.94	$ 1,162.83
International Volume (kmt)	68.37	129.60	196.79	166.24	171.23	176.37	181.66	187.11	192.72	198.50	204.46	210.59	216.91	223.42
% of volume	*10%*	*18%*	*26%*	*23%*	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
% change		*90%*	*52%*	*-16%*	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Ammonium Nitrate Price (A$)	$ 1,371.65	$ 1,667.22	$ 1,982.56	$ 2,045.38	$ 2,168.10	$ 2,276.51	$ 2,390.33	$ 2,462.04	$ 2,535.90	$ 2,586.62	$ 2,638.35	$ 2,691.12	$ 2,744.94	$ 2,799.84
% change		*22%*	*19%*	*3%*	*6.0%*	*5.0%*	*5.0%*	*3.0%*	*3.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Segment 3 Revenue (A$m)	$ 88.90	$ 211.70	$ 393.80	$ 344.50	$ 371.25	$ 401.50	$ 434.23	$ 460.67	$ 488.73	$ 513.45	$ 539.44	$ 566.73	$ 595.41	$ 625.54
DNAP revenue (A$m)	**$ 937.80**	**$ 1,200.40**	**$ 1,500.60**	**$ 1,478.40**	**$ 1,616.55**	**$ 1,751.12**	**$ 1,897.12**	**$ 2,016.37**	**$ 2,143.37**	**$ 2,256.49**	**$ 2,375.87**	**$ 2,501.84**	**$ 2,634.79**	**$ 2,775.13**

Appendix A: Revenue Build Fertilisers APAC

Fertilisers APAC

Distribution Volume (kmt)	2,234.70	1,868.70	2,035.80	2169.20	2,255.97	2,323.65	2,393.36	2,465.16	2,526.79	2,589.96	2,654.70	2,707.80	2,761.95	2,817.19
% change		*-16.4%*	*8.9%*	*6.6%*	4.0%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%
Distribution Price (A$)	$ 473.53	$ 886.55	$ 763.34	$ 749.40	$ 771.88	$ 795.04	$ 814.92	$ 835.29	$ 856.17	$ 873.29	$ 890.76	$ 908.57	$ 926.75	$ 945.28
% change		87.2%	-13.9%	-1.8%	3.0%	3.0%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Distribution Revenue (A$m)	$ 1,058.20	$ 1,656.70	$ 1,554.00	$ 1,625.60	$ 1,741.34	$ 1,847.39	$ 1,950.38	$ 2,059.12	$ 2,163.36	$ 2,261.79	$ 2,364.70	$ 2,460.24	$ 2,559.63	$ 2,663.04
Manufacturing Volume (kmt)	1,456.90	1,140.40	1,003.00	740.00	703.00	681.91	668.27	654.91	654.91	661.46	668.07	674.75	681.50	688.31
% change		*-22%*	*-12%*	*-26%*	*-5%*	*-3%*	*-2%*	*-2%*	*0%*	*1%*	*1%*	*1%*	*1%*	*1%*
Weighted Average Manufacturing Price (A$)	$ 574.10	$ 869.26	$ 646.86	$ 638.38	$ 611.79	$ 589.36	$ 571.68	$ 560.25	$ 560.25	$ 565.85	$ 571.51	$ 585.80	$ 600.44	$ 615.45
% change		51%	-26%	-1%	-4%	-4%	-3%	-2%	0%	1%	1%	2%	2%	2%
Manufacturing Revenue (A$m)	$ 836.40	$ 991.30	$ 648.80	$ 472.40	$ 430.09	$ 401.89	$ 382.04	$ 366.91	$ 366.91	$ 374.28	$ 381.81	$ 395.27	$ 409.20	$ 423.62
FAPAC fertilisers revenue	**$ 1,894.60**	**$ 2,647.80**	**$ 2,203.40**	**$ 2,098.00**	**$ 2,171.43**	**$ 2,249.28**	**$ 2,332.42**	**$ 2,426.03**	**$ 2,530.27**	**$ 2,636.08**	**$ 2,746.51**	**$ 2,855.50**	**$ 2,968.83**	**$ 3,086.66**
TOTAL REVENUE	**$ 4,338.90**	**$ 6,381.10**	**$ 5,480.20**	**$ 5,337.10**	**$ 5,571.52**	**$ 5,892.57**	**$ 6,228.63**	**$ 6,542.69**	**$ 6,880.25**	**$ 7,210.90**	**$ 7,534.36**	**$ 7,866.77**	**$ 8,214.43**	**$ 8,578.08**
Eliminations AND Discontinued operations	$ 9.60	$ (65.80)	$ 527.90	$ 27.80	$ (70.00)	$ (73.50)	$ (77.18)	$ (81.03)	$ (85.09)	$ (89.34)	$ (93.81)	$ (98.50)	$ (103.42)	$ (108.59)
% change		*-785%*	*-902%*	*-95%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
NET REVENUE	**$ 4,348.50**	**$ 6,315.30**	**$ 6,008.10**	**$ 5,364.90**	**$ 5,501.52**	**$ 5,819.07**	**$ 6,151.45**	**$ 6,461.65**	**$ 6,795.16**	**$ 7,121.56**	**$ 7,440.55**	**$ 7,768.27**	**$ 8,111.01**	**$ 8,469.49**

Appendix A: WACC calculation

```python
import pandas as pd
import matplotlib.pyplot as plt
from sklearn.linear_model import LinearRegression

# Load CSV file
df = pd.read_csv("market_data.csv")

# Convert columns to numeric
df['SGH'] = pd.to_numeric(df['SGH'], errors='coerce')
df['market'] = pd.to_numeric(df['market'], errors='coerce')

# Calculate daily returns
df['SGH_return'] = df['SGH'].pct_change()
df['market_return'] = df['market'].pct_change()

# Drop missing values
df_clean = df.dropna()

# Prepare data for regression
X = df_clean['market_return'].values.reshape(-1, 1)
y = df_clean['SGH_return'].values

# Perform regression
reg = LinearRegression().fit(X, y)
beta = reg.coef_[0]
print(beta)
alpha = reg.intercept_

# Plot scatter and regression line
plt.figure(figsize=(10, 6))
plt.scatter(X, y, alpha=0.5, label='Daily Returns')
plt.plot(X, reg.predict(X), color='red', linewidth=2, label=f'Regression Line (β = {beta:.2f})')
plt.title('SGH vs ASX 200 Daily Returns')
plt.xlabel('Market Return (ASX 200)')
plt.ylabel('SGH Return')
plt.legend()
plt.grid(True)
plt.tight_layout()
plt.show()
```

Standalone Cost of Debt

Year	Interest Expense (A$ m)	Total Debt (A$ m)	Cost of Debt (%)
2024	342.5	4,986.50	**6.87%**
2023	298	4,893.20	**6.09%**
2022	271.9	5,662.60	**4.80%**
2021	163.6	2,432.00	**6.73%**
		Average	6.12%

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Australia Bond 10 Year Yield

Appendix A: Cost Synergy modelling

Phosphate Hill Production (kmt) ***(With Beach/SGH gas contract***	958.40	735.90	864.00	740.00	769.60	808.08	840.40	874.02	908.98	945.34	983.15	1,022.48	1,063.38	1,105.91
% change					*4.0%*	*5.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
AP Price Estimate (A$/tonne)	$ 526.29	$ 712.96	$ 666.13	$ 638.38	$ 611.79	$ 589.36	$ 571.68	$ 560.25	$ 560.25	$ 565.85	$ 571.51	$ 585.80	$ 600.44	$ 615.45
% change		*35%*	*-7%*	*-4%*	*-4.2%*	*-3.7%*	*-3.0%*	*-2.0%*	*0.0%*	*1.0%*	*1.0%*	*2.5%*	*2.5%*	*2.5%*
Gibson Island Production (kmt) ***(With Beach/SGH gas contract***	498.50	404.50	139.00	-	-	250.00	375.00	550.00	650.00	750.00	750.00	750.00	750.00	750.00
% change							*50%*	*47%*	*18%*	*15%*	*0%*	*0%*	*0%*	*0%*
Urea Price Estimate (A$/tonne)	$ 666.00	$ 1,153.60	$ 527.10	$ 500.28	$ 492.78	$ 517.41	$ 543.29	$ 565.02	$ 587.62	$ 611.12	$ 623.34	$ 635.81	$ 648.53	$ 661.50
% change		*73%*	*-54%*	*-5%*	*-1.5%*	*5.0%*	*5.0%*	*4.0%*	*4.0%*	*4.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Revenue from manufacturing sale ($M)	$ 836.40	$ 991.30	$ 648.80	$ 472.40	$ 470.83	$ 605.60	$ 684.17	$ 800.43	$ 891.20	$ 993.26	$ 1,029.39	$ 1,075.82	$ 1,124.89	$ 1,176.76
% change		19%	-35%	-27%	*0%*	*29%*	*13%*	*17%*	*11%*	*11%*	*4%*	*5%*	*5%*	*5%*
Cost Projection														
Phosphate Hill Unit Cost (A$/mt)	$ 484.00	$ 705.00	$ 723.00	$ 788.00	$ *231.79*	$ *249.36*	$ *223.68*	$ *201.81*	$ *191.05*	$ *185.58*	$ *179.83*	$ *182.37*	$ *184.91*	$ *187.45*
Gibson Island Estimated Unit cost (A$/mt)	$ 500.00	$ 728.31	$ 746.90	$ 814.05		*31.70*	*46.14*	*52.96*	*60.20*	*67.88*	*63.81*	*59.49*	*54.91*	*50.08*
PHP Total cost ($M)	$ 463.87	$ 518.81	$ 624.67	$ 583.12	$ 292.45	$ 274.75	$ 292.46	$ 313.28	$ 335.59	$ 359.48	$ 385.08	$ 412.50	$ 441.87	$ 473.33
GIP Total cost ($M)	$ 249.25	$ 294.60	$ 103.82	$ -	$ -	$ 121.43	$ 186.43	$ 281.63	$ 342.82	$ 407.43	$ 419.65	$ 432.24	$ 445.21	$ 458.57
Gas Usage per Tonne PHP (GJ/tonne)	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Gas Usage per Tonne GI (GJ/tonne)	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Total gas consumption (GJ)	19554	15449	11420	7400	7696	13081	15904	19740	22090	24453	24832	25225	25634	26059
Gas price ($A/GJ)	$ 7.00	$ 11.00	$ 19.00	$ 13.50	**9.5**	**8.5**	**8.7**	**9.0**	**9.2**	**9.5**	**9.8**	**10.1**	**10.4**	**10.7**
Total Gas cost ($M)	$ 136.88	$ 169.94	$ 216.98	$ 99.90	$ 73.11	$ 111.19	$ 138.37	$ 176.89	$ 203.89	$ 232.47	$ 243.15	$ 254.41	$ 266.29	$ 278.83
% gas/costs GI	29%	31%	45%	26%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
% gas/costs PHP	18%	22%	24%	19%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
% gas/costs	19%	21%	30%	17%										
Revenue from manufacturing sale	$ 836.40	$ 991.30	$ 648.80	$ 472.40	$ 470.83	$ 605.60	$ 684.17	$ 800.43	$ 891.20	$ 993.26	$ 1,029.39	$ 1,075.82	$ 1,124.89	$ 1,176.76
$m/kmt	$ 574.10	$ 869.26	$ 646.86	$ 638.38	$ 611.79	$ 572.36	$ 562.92	$ 562.09	$ 571.66	$ 585.88	$ 593.94	$ 606.96	$ 620.33	$ 634.06
estimated gross profit	$ 123.28	$ 177.89	$ (79.69)	$ (110.72)	$ 178.38	$ 209.43	$ 205.28	$ 205.51	$ 212.79	$ 226.35	$ 224.66	$ 231.08	$ 237.81	$ 244.87
Phosphate Hill Production (kmt) ***(Without beach/SGH gas contra***	958.40	735.90	864.00	740.00	703.00	681.91	668.27	654.91	654.91	661.46	668.07	674.75	681.50	688.31
% change					*-5.0%*	*-3.0%*	*-2.0%*	*-2.0%*	*0.0%*	*1.0%*	*1%*	*1%*	*1%*	*1%*
Gas price ($A/GJ) **(Without beach/SGH gas contract)**	$ 7.00	$ 11.00	$ 19.00	$ 13.50	**12.2**	**12.3**	**12.6**	**13.1**	**13.5**	**13.9**	**14.2**	**14.5**	**14.9**	**15.4**
% change		*57%*	*73%*	*-29%*	*-10%*	*1%*	*3%*	*4%*	*3%*	*3%*	*2%*	*2%*	*3%*	*3%*
Discount on market gas price					21.81%	30.73%	31.17%	31.83%	31.83%	31.83%	31.16%	30.49%	30.49%	30.49%
Revenue from manufacturing sale					430.1	401.9	382.0	366.9	366.9	374.3	381.8	395.3	409.2	423.6
Total unit cost					486.0	490.9	505.6	525.8	541.6	557.8	569.0	580.4	597.8	615.7
Total cost					341.7	334.7	337.9	344.4	354.7	369.0	380.1	391.6	407.4	423.8
FCF without acquisition ($M)					$ 88.43	$ 67.17	$ 44.17	$ 22.55	$ 12.22	$ 5.30	$ 1.68	$ 3.66	$ 1.81	$ (0.18)
Gibson Island Startup costs					$ (100.00)									
Incremental PRE TAX FCF ($M)					$ (10.05)	$ 142.26	$ 161.12	$ 182.96	$ 200.57	$ 221.04	$ 222.97	$ 227.42	$ 236.00	$ 245.04
Discounted Cash Flows ($M)					$ (10.05)	$ 129.51	$ 133.53	$ 138.05	$ 137.78	$ 138.23	$ 126.94	$ 117.87	$ 111.36	$ 105.27

Appendix A: Cost Synergy Outcome

PV of Incremental FCFs	$	1,128.50
TV g		-2%
FV(TVg) @ T = 2034	$	871.06
PV of TV g	$	374.19
NPV pre tax	$	1,502.69
NPV POST TAX	$	1,051.88

Appendix A: Revenue Synergy Modelling

Synergy Type	Target Segment	Assumed Uplift %	Synergy Value ($m)	Ramp-Up (Yr 1-3)	Risk Haircut	Net Revenue Impact (Yr 3) ($M)
1. Cross-sell Dyno Nobel explosives to Boral quarries	Mining & quarry	10% share of Boral's explosive needs (est. $200m spend)	$20m	25% / 50% / 100%	30%	14
2. Expand fertiliser sales through Coates regional footprint	Ag & regional infrastructure	2% uplift from Coates' rural clients (est. $500m relevant base)	$10m	25% / 50% / 100%	30%	7
3. Product bundling: Soil-enhancing additives in Boral concrete	Construction & Ag	5% increase via Boral bundling	$25m	10% / 30% / 60%	40%	9
4. Leverage SGH infra pipeline to grow Dyno service contracts	Infra & Mining Projects	3% uplift from new contracts via WesTrac/Boral customer network	$42m	10% / 40% / 80%	30%	29.4
5. Export growth via SGH supply chain (Asia/MENA)	Offshore markets	4% uplift via SGH's scale/logistics	$20m	20% / 50% / 75%	40%	9

Appendix A: Revenue Synergy Modelling 2

Revenue Synergies				
Revenue Synergies ($M)				68.4
Post-Deal Combined Financials				
	Year 1	**Year 2**	**Year 3**	**Year 4**
Mining & quarry	$4	$7	$14	$14
% Synergies Realized	25.0%	50.0%	100.0%	100.0%
Ag & regional infrastructure	$2	$4	$7	$7
% Synergies Realized	25.0%	50.0%	100.0%	100.0%
Construction & Ag	$1	$3	$5	$9
% Synergies Realized	10.0%	30.0%	60.0%	100.0%
Infra & Mining Projects	$3	$12	$24	$29
% Synergies Realized	10.0%	40.0%	80.0%	100.0%
Offshore markets	$2	$5	$7	$9
% Synergies Realized	20.0%	50.0%	75.0%	100.0%
Combined Revenue	**$12**	**$32**	**$61**	**$73**
Ebit Marigin	20.0%	20.0%	20.0%	20.0%
Incremental cahnge in FCF	**$2.358**	**$6.332**	**$12.164**	**$14.680**
PV of cashflows	$2.15	$5.25	$9.18	$10.08

PV of cashflows	
Sum of PV of cashflows	$26.66
TV growth rate	3%
TV at year 4	$151.78
PV of TV	$104.26
Total PV of Revenue synerg	$130.92
Total after tax PV of Reven	$91.64

Appendix A: Comparables analysis

Explosives manufacturers				Market Data							Financials			Valuation		
Company name	Exchange Rate Type	Exchange Rate value	Ticker	Share Price AUD$/share	Shares Outstanding M	Market Cap ($M)	Cash & Cash Equivalents ($M)	Total Debt ($M)	Enterprise Value ($M)		Sales Revenue ($M)	EBITDA ($M)	Diluted Earnings per share AUD$/share	EV/Sales x	EV/EBITDA x	P/E x
Orica	NA	NA	ASX:ORI	15.31	487	7.459	580.7	2198.4	9400		7662.8	805.6	1.094	1.18	11.3	14.0
EPC Groupe	EURAUD	1.81	EPA:EXPL	372.92	2.1	780.5	55.64	192.7	928		895.85	89.49	20.31	1.04	8.3	18.3
Hanwha Corporation	KRWAUD	0.0011	KRX: 000880	47.11	69.38	3268.4918	50615.11	48640.31	27,577		61211.51	4422	63.74	0.45	6.2	5.1
Omnia Holdings Limited	ZACAUD	0.083	JSE:OMN	5.59	159.95	909.1	203.4	10.6	866.6		1,843.20	204.5	0.585	0.47	5.3	9.6
													Upper Quartile	1.08	9.01	15.06
													Mean	0.79	7.75	11.72
													Median	0.76	7.25	11.78
													Lower Quartile	0.47	5.99	8.43

	Valuation Upper Quartile	EV/sales	EV/EBITDA	P/E as at 30/9/23 compounded forward 1 year
	Formula	EV/sales *Sales	EV/EBITDA*EBITDA	(P/E*Net Income) + Net debt
	Implied EV	$5,767	$7,451	$10,282
		$5,364.90	$826.70	
Average value:	$7,833			
	Median	**EV/sales**	**EV/EBITDA**	**P/E**
	Implied EV	$4,051	$5,992	$8,261
Average value:	$6,101			
	Valuation Lower Quartile	**EV/sales**	**EV/EBITDA**	**P/E**
	Implied EV	$2,496	$4,952	$6,205
	Cash			
Average value:	$4,551			

Appendix A: Net Working Capital

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(+) Accounts Receivable	$ 488	$ 757	$ 570	$ 647	$ 664	$ 638	$ 674	$ 708	$ 745	$ 780	$ 815	$ 851	$ 889	$ 928
DSO/365	*41*	*44*	*35*	*44*	*44*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*	*40*
(+) Inventories	$ 578	$ 994	$ 817	$ 785	$ 788	$ 773	$ 780	$ 783	$ 836	$ 890	$ 930	$ 982	$ 1,025	$ 1,070
DIH/365	*98*	*111*	*108*	*110*	*112*	*109*	*106*	*102*	*102*	*102*	*102*	*102*	*102*	*102*
(-) Accounts Payable	$ 1,393	$ 1,229	$ 1,059	$ 883	$ 842	$ 852	$ 886	$ 916	$ 979	$ 1,043	$ 1,089	$ 1,149	$ 1,200	$ 1,253
DPO/365	*236*	*137*	*139*	*124*	*120*	*120*	*120*	*120*	*120*	*120*	*120*	*120*	*120*	*120*
NWC	**($328)**	**$521**	**$328**	**$549**	**$610**	**$559**	**$568**	**$574**	**$602**	**$628**	**$656**	**$684**	**$714**	**$745**

1. DPO Decline Is Structural (Not Just Cyclical)
In FY24, DPO dropped significantly. This wasn't random:
"The reduction in trade payables reflects the conclusion of supply chain financing arrangements." — FY24 Annual Report
Unless SGH reinstates those terms or replaces them, DPO will stay lower. Forecasting a bounce-back to past highs would need to be justified by a procurement initiative under SGH.
ASSUMPTION -> DPO remains at 120 into the future

3. Receivables (DSO) – More Stable, Customer-Driven
Most of IPL's customers (mining, agriculture) are **price-takers** with little working capital flexibility, and many are on **seasonal cycles** (e.g., ag dealers).
Unless SGH improves credit controls, **DSO is unlikely to improve structurally**. If IPL expands internationally or increases its proportion of ag-based revenue, DSO might even rise slightly.
ASSUMPTION -> DSO remains at 40 into the future

2. Inventory (DIH) Could Improve Due to Decarbonisation Projects and Site Rationalisation
From FY23–24, IPL has closed or restructured parts of its manufacturing footprint (e.g., winding down Gibson Island) and committed to digitisation and operational efficiency.
"Decarbonisation projects and improved logistics are enhancing site-level efficiency." — FY24 Sustainability/OpEx commentary
The reopening of Gibson island will cause DIH to increase in near term but further logistical and site level improvements should lead to a modest structural decline in DIH due to
Rationalised inventory holdings
Better demand forecasting via automation
Less working capital tied up in legacy operations (like Gibson)
ASSUMPTION -> DIH increases in near term then declines by 2% for 3 years and then remains constant

Appendix A: Depreciation Schedule

	PPE	Depreciation & Ammortisation
2021	$3,928.9	($368.5)
2022	$4,246.9	($372.5)
2023	$3,182.7	($335.6)
	$3,786.2	($358.9)
	$2,435.9	

Useful life: 10.55 years

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Capex	550.15	465.53	492.12	387.70	407.71	356.08	372.03	388.41	405.55	423.47
Impairment F	800									
	$230.88	$230.88	$230.88	$230.88	$230.88	$230.88	$230.88	$230.88	$230.88	$230.88
		$75.83	$75.83	$75.83	$75.83	$75.83	$75.83	$75.83	$75.83	$75.83
		$52.15	$52.15	$52.15	$52.15	$52.15	$52.15	$52.15	$52.15	$52.15
			$44.12	$44.12	$44.12	$44.12	$44.12	$44.12	$44.12	$44.12
				$46.64	$46.64	$46.64	$46.64	$46.64	$46.64	$46.64
					$36.75	$36.75	$36.75	$36.75	$36.75	$36.75
						$38.64	$38.64	$38.64	$38.64	$38.64
							$33.75	$33.75	$33.75	$33.75
								$93.01	$93.01	$93.01
									$97.10	$97.10
										$101.39
D+A	$230.88	$358.86	$402.98	$449.62	$486.37	$525.02	$558.77	$651.77	$748.88	$850.26
		55%	12%	12%	8%	8%	6%	17%	15%	14%

Appendix A: Employment Schedule

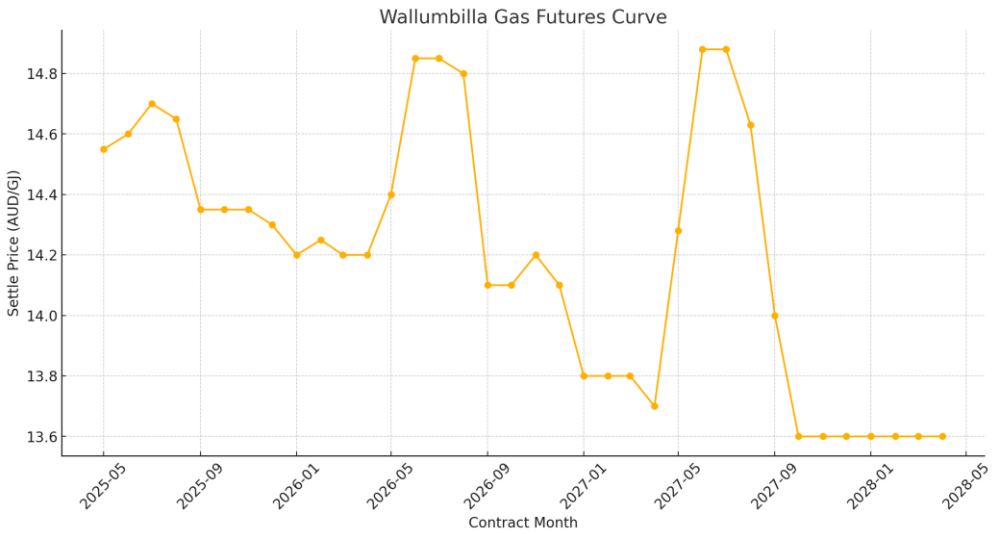
Number of Employees (approx.)	Source
2021 4,066 employees	Inferred from general company disclosures and operational review (no direct number given)
2022 4,276 employees	Derived from average headcount used in employee benefits calculations
2023 5,814 employees	Explicitly stated in "Key Operations" and "Who We Are" sections
2024 5,700 employees	Reported in "Who We Are" and sustainability metrics

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
#FTE employees	4066	4276	5814	5600	5880.0	6174.0	6421.0	6613.6	6812.0	6948.2	7017.7	7087.9	7158.8	7230.4
%growth		5%	36%	-4%	5%	5%	4%	3%	3%	2%	1%	1%	1%	1%
Average remuneration	$172,528.3	$ 184,214.2	$ 152,975.6	$ 171,821.4	$ 176,976.1	$ 182,285.4	$ 187,753.9	$ 193,386.5	$ 199,188.1	$ 205,163.8	$ 209,267.0	$ 213,452.4	$ 217,721.4	$ 222,075.9
%growth		7%	-17%	12%	3%	3%	3%	3%	3%	3%	2%	2%	2%	2%
	$701.50	$787.70	$889.40	$962.20	$1,040.62	$1,125.43	$1,205.56	$1,278.98	$1,356.87	$1,425.53	$1,468.58	$1,512.93	$1,558.62	$1,605.69

Appendix A: Freight Cost Schedule

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Volume	5633.5	5285.9	5340.2	4421.3	4517.6	4612.2	4717.8	4823.1	4933.1	5052.6	5170.7	5278.6	5389.0	5502.1
%growth		-6%	1%	-17%	2.18%	2.09%	2.29%	2.23%	2.28%	2.42%	2.34%	2.09%	2.09%	2.10%
Freight unit cost	$ 50.9	$ 61.0	$ 62.1	$ 77.7	$ 82.0	$ 86.5	$ 91.2	$ 96.2	$ 101.5	$ 107.1	$ 113.0	$ 119.2	$ 125.8	$ 132.7
%growth		20%	2%	25%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
	$286.60	$322.70	$331.70	$343.50	$370.28	$398.83	$430.40	$464.21	$500.90	$541.26	$584.37	$629.38	$677.88	$730.17

Appendix A: Gas Commodity Futures Curve



1. Expected Tightening of Supply

LNG Export Contracts: Major LNG export contracts out of Queensland may ramp up, reducing domestic availability of gas.

Scheduled Maintenance or Shutdowns: Planned maintenance at upstream gas fields or pipelines (e.g., Roma, Moomba) could reduce flows to the east coast.

Beetaloo Basin development delays: If hoped-for new supply (like from the Beetaloo Basin) is delayed, market participants might expect supply tightness in that period.

2. Increased Demand Forecasts

Winter heating load: June–August are peak winter demand months in Australia, and traders may be pricing in a cold winter scenario.

Industrial consumption growth: Potential increase in gas-fired generation or industrial use due to delays in renewables buildout or reliability issues.

Appendix A: Valuation Summary

Blended analysis							
Method	Min Value		Base Value		Max Value		Weighting
DCF	$	3,823.00	$	5,381.00	$	6,706.00	55%
CCA (Explosives Manufacturers)	$	4,551.00	$	6,101.43	$	7,833.29	20%
Broker Consenus	$	6,195.46	$	6,862.42	$	7,273.96	15%
Precedent Transactions	$	2,397.43	$	6,861.60	$	9,259.03	10%
CCA2							
Blended Valuation	$	4,181.91	$	5,895.36	$	7,271.95	