

OZ MINERALS LIMITED (OZL)

16 AUGUST 2018

RESULTS	Half Year 2018	Half Year 2017	CHANGE
Revenue (\$m)	530.3	445.9	+18.9%
Revenue Consensus (\$m)	530.0		
C1 Direct Costs (US\$/lb)	0.85	0.901	-5.6%
Cost of Goods Sold	224.4	205.2	+9.4%
Cash Earnings (\$m)	127.8	80.6	+58.6%
Cash Profit Consensus (\$m)	120.0		
Interim Dividend (\$)	0.08	0.06	+33.3%

OZ Minerals Limited (OZL) records solid result with expansion plans on track

- **Copper and gold miner, OZ Minerals Limited (OZL)** recorded a solid lift in revenue, production and Profit after Tax in the first half of 2018. It was a great period for the company as OZL received an 18% rise in the average copper price. OZL saw its unit costs fall by 5% and posted a slight increase in production for both copper and gold.
- OZL reported contained copper sales of 52,758 tonnes up 2% while gold sales of 61,132 ounces down 2%, in line with expectations. C1 costs of US 85c/lb were also in line with annual guidance. With OZ Minerals C1 cash costs improving to US\$0.72/lb in the second quarter of 2018.
- Management said it had revised its capital management strategy “to balance returns to shareholders with capital required for its growth projects.” As the OZL’s expansion plans continue to gain momentum.
- The firm is progressing well with the integration of Avanco Resources following the acquisition in August completed the takeover of Avanco Resources. OZL said “Having undertaken an intensive review of the newly acquired Brazilian assets over the past six weeks, we have developed an optimisation plan based on project value and maturity.”
- Aussie assets are still performing well with OZ Minerals expecting 2018 to be another strong year at Prominent Hill. The business is on course to achieve annual guidance for copper production from the South Australian mine despite a softer second quarter.
- Capital expenditure will increase this half at Carrapateena even as overall capital spend for 2018 has been revised downwards from ~\$500 million to between \$400-\$430 million as the company has deferred the construction of a western access road. Saying “Carrapateena construction remains on schedule for commissioning in the fourth quarter of 2019 and continue to track in line with the published total project guidance.”
- OZL said it will pay an Interim dividend of \$0.08 per share, on 17 September 2018 with a record date on 3 September 2018.

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