

21 August 2024

2024 Half Year Results

Key features

Safety

- Total Recordable Injury Frequency Rate at 3.0 (FY 2023: 2.4)
- Serious Potential Injury Frequency Rate 2.5 (FY 2023: 3.6)

Financial result delivered amidst global macroeconomic uncertainty and subdued markets – with a focus on value and market discipline

Strong Mineral Sands EBITDA margin of 42%, with product pricing relatively stable

\$134 million NPAT, \$189 million operating cash flow and \$305 million net cash (excluding non-recourse debt)

Pigment industry undergoing structural change, with the potential to improve the financial health of the industry through economic cycles

Balrarnald project on track for commissioning H2 2025; Eneabba execution progressing alongside operational readiness plans. Rare earth business update to be provided September 2024

2024 interim dividend of 4 cents per share fully franked

Key financials

Mineral sands revenue

\$606m

(HY 2023: \$712m)

Mineral sands EBITDA margin

42%

(HY 2023: 50%)

NPAT

\$134m

(HY 2023: \$204m)

Net cash (excluding non-recourse debt)

\$305m

(31 December 2023: \$371m)

2024 Half year results teleconference details

9:00am (AEST) 21 August 2024. Participants must register through the participant link below.

Participant pre-registration link:

<https://register.vevent.com/register/B132f9bb98760f47ba98fcc796338b678e>

Dial in details and instructions will be provided in the confirmation email received upon registering.

This release uses non-IFRS information including, for example EBITDA and net cash (debt). Refer to slide 26 of the accompanying ASX release, *2024 Half Year Results presentation*, for a reconciliation of these items to relevant statutory measures.

Managing Director's commentary

Iluka's H1 financial results reflect three key factors.

First, global macroeconomic uncertainty has seen subdued activity in the construction and real estate sectors. This is affecting customer buying behaviour in both the titanium and zircon markets. Prices for Iluka's zircon products are relatively strong and stable. In titanium feedstocks, the long term contracts Iluka has in place for synthetic rutile offtake provide the company a high degree of revenue certainty.

Second, Iluka has maintained operational and market discipline. Our ability and willingness to hold inventory enables us to prioritise the true value of the company's products in an evolving marketplace. By building ilmenite inventory, Iluka has minimised mining unit costs and ensured feedstock is available to underpin a potential future restart of SR1 – our swing production asset for synthetic rutile. This is in the context of a pigment industry that is undergoing structural change, including the implementation of tariff arrangements, as well as consolidation of ownership and the closure of some higher cost facilities. There is growing optimism for the pigment industry in 2025.

Third, we are investing in important capital developments. Balranald is on track for commissioning in the second half of 2025 and will produce material volumes of high quality zircon and rutile, as well as feedstocks for synthetic rutile and rare earths production. At Eneabba, we have struck a prudent balance of progressing critical path works while funding arrangements with our strategic partner, the Australian Government, are being concluded.

Continuation of the Eneabba development is contingent on risk sharing with the Australian Government. Iluka will provide an update on the company's rare earths business in H2 2024. The capital estimate for Eneabba has been confirmed at \$1.7-1.8 billion.

Results summary

	Units	Half year 2024	Half year 2023	% Change
Mineral sands revenue	\$m	606	712	(15)
Mineral sands EBITDA	\$m	252	353	(29)
<i>Mineral sands EBITDA margin</i>	%	42	50	(16)
Share of profit in associate (Deterra)	\$m	12	15	(18)
Underlying Group EBITDA ¹	\$m	264	368	(28)
Profit for the period (NPAT)	\$m	134	204	(34)
Operating cash flow	\$m	189	228	(17)
Free cash flow – Mineral sands ³	\$m	(14)	(16)	n/a
Free cash flow – Group ³	\$m	(47)	(55)	n/a
Interim dividend – fully franked	cps	4	3	33
		30 Jun 2024	31 Dec 2023	
Net (debt) cash (excluding non-recourse debt)	\$m	305	371	(18)
Non-recourse debt	\$m	(151)	(146)	3
Reported Group net (debt) cash	\$m	154	225	(32)

This document was approved and authorised for release to the market by Iluka's Managing Director.

Investor and media enquiries

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