

Tharisa PLC

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Tharisa's profits soar after surge in chrome price

The financial year just ended was a record one for chrome producer Tharisa PLC (LON:THS) in terms of production and profitability.

Revenue in the year to the end of September rose 59.1% to US\$349.4mln from US\$219.6mln the year before. The increase in revenue was mainly because of the miner's chrome segment, with the metallurgical grade chrome concentrate price increasing by 66.7% year-on-year.

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Profit before tax shot up 314.2% to US\$91.0mln from US\$22.0mln the previous year while underlying earnings (EBITDA) soared 168.7% to US\$115.6mln from US\$43.0mln.

Headline earnings per share increased 266.7% to 22 US cents from six US cents in fiscal 2016.

As previously announced, the company has proposed a dividend of five US cents, up from one US cent the year before.

Tharisa mined 5.0mln tonnes of ore during the year, resulting in platinum group metals (PGM) production of 143,600 ounces of contained PGMs and production of 1.3mln tonnes of chrome concentrates.

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"PGM prices remained muted during the year showing a marginal increase of US\$50 per PGM basket ounce despite the rally in the palladium price, which has recently surpassed and maintained levels above the prevailing platinum price," the company noted.

"Tharisa witnessed history in the first half of FY2017 with record prices for metallurgical chrome concentrates being achieved at approximately US\$390/t. There was, however, limited liquidity and an underestimated global supply side response which displaced a large portion of South Africa's market share. Prices subsequently declined to levels as low as US\$130/t mainly on the back of accumulated inventory levels," it added.

In the second half of the financial year, there was a recovery in the spot price for metallurgical grade chrome delivered to China; the average metallurgical chrome contract price achieved in the reporting period was US\$200 a tonne on a cost, insurance and freight (CIF) basis to China.

Tharisa's shares were up 2.2% at 103.18p in the first half hour of trading on Thursday.

Price: 39.5

Market Cap: £105.31 m

1 Year Share Price Graph



April 2019 October 2019 April 2020

Share Information

Code: THS

Listing: LSE

52 week	High	Low
	121.967	20

Sector: Platinum group metals

Website: www.tharisa.com

Company Synopsis:

Tharisa is an integrated resource group incorporating exploration, mining, processing, and the beneficiation, marketing, sales and logistics of PGMs and chrome concentrates. The Group is targeting production of 200 koz of PGMs and 2.0 Mt of chrome concentrates in 2020, on an annualised basis.

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