

CNMC Goldmine Holdings

All the stars align



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SINGAPORE | MINING | UPDATE

20 June 2025

- We raise our average selling price (ASP) assumption from US\$2,900 to US\$3,100 (18 Jun 2025: US\$3,381), driven by heightened geopolitical tensions in the Middle East, aggressive central bank gold purchases, and a potentially dovish U.S. Federal Reserve stance. Trial production at the new CIL facility has been completed, with official operations commencing at 800 tonnes per day (FY24: 5,000 tonnes). We maintain our FY25e gold production forecast of a 20% YoY increase.
- We expect production of non-gold metals such as zinc, silver, and lead to increase by at least 50% YoY in FY25e, driven by improved ore grades and higher recovery rates for by-products (zinc, silver and lead).
- CNMC stands to be a key beneficiary, selling gold at spot prices, and we believe it's a leveraged play on rising gold prices, with production increasing by 60% from Apr25 and a forecasted 20% rise in selling volume. We maintain our BUY rating with a higher DCF-TP of S\$0.54 (prev: S\$0.49), indicating 9.0x FY25e P/E. We raise our FY25e PATMI forecast by 27% to US\$22.7mn, with the dividend payout ratio maintained at a minimum of 40%, translating into a yield of 5.5%. We anticipate potential upside in dividends from windfall profits, which could further enhance shareholder value. CNMC is trading at FY25e P/E of 7.3 and EV/EBITDA of 2.4x.

Investment highlights

+ A 60% increase in gold production capacity is now in place. CNMC has invested RM9mn to expand its carbon-in-leach (CIL) facility, raising capacity to 800 tonnes of gold ore per day, successfully completing trial production in Apr25. We expect gold sales volume to rise by 20% YoY in FY25e. An additional upside catalyst is the second underground mining facility at Sokor, slated for completion in 2H25, which will provide access to higher-grade gold ores. Improved recovery rates are expected to drive higher production, and we foresee the EBITDA margin expanding by 1.6ppts YoY to 38.8%.

+ Gold price at record high. Gold entered a higher price regime in 2025, reaching the upper range of c.US\$3,300 per ounce during the week of 16 Jun 2025(+ 30% YTD). The rally has been driven by heightened geopolitical tensions in the Middle East, aggressive central bank purchases (which have doubled in a decade), and a more accommodative FED stance. We raise our ASP assumption by c.7% to US\$3,100, supported by this bullish momentum. CNMC is well-positioned to benefit, as it sells gold at spot prices with 90% upfront payment, enabling it to capture the upside fully.

+ Increasing contributions from the by-products. We expect production of non-gold metals, such as zinc, silver, and lead to increase by at least 50% YoY in FY25e, supported by improved ore quality. Although selling prices are discounted relative to spot due to the need for further refining, silver prices have been on an upward trend since the start of the year. Non-gold metals contributed c.32% of total revenue; we expect this share to increase to c.34% in FY25e.

Outlook

We believe FY25e will be an exceptional year for CNMC, driven by broad-based tailwinds, including record-high gold prices and the long-awaited ramp-up in production. We anticipate enhanced shareholder returns through a special dividend or an increase in the dividend payout ratio. CNMC has a dividend policy of a minimum 30% payout ratio and a solid track record of increasing payouts during periods of strong financial performance.

BUY (Maintained)

CLOSING PRICE	SGD 0.435
FORECAST DIV	SGD 0.032
TARGET PRICE	SGD 0.544
TOTAL RETURN	32.5%

COMPANY DATA

Bloomberg Code	CNMC SP
O/S SHARES (MN) :	405
MARKET CAP (USD mn / SGD mn) :	137 / 176
52 - WK HI/LO (SGD) :	0.47 / 0.2
3M Average Daily T/O (mn) :	4.0

MAJOR SHAREHOLDERS (%)

Innovation China Limited	26.4%
Messiah Ltd	10.5%
Lin Xiang Xiong	1.2%

PRICE PERFORMANCE (%)

	1M TH	3M TH	1YR
COMPANY	10.0	36.6	123.6
STI RETURN	0.7	3.0	25.2

PRICE VS. STI



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec	FY23	FY24	FY25e	FY26e
Revenue (USD mn)	52.2	65.2	98.4	109.9
EBIT (USD mn)	7.8	17.5	32.7	37.0
Net Profit (USD mn)	5.1	12.2	22.7	25.7
P/E (x)	32.7	13.6	7.3	6.5
P/B (x)	2.9	2.8	2.6	3.0
EV/EBITDA (x)	10.0	4.8	2.4	1.7
Dividend Yield (%)	2.0	3.2	5.5	6.2

VALUATION METHOD

DCF (Cost of Equity: 14.8%; Terminal g: 0%)

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Maintain BUY with a higher TP of S\$0.54 (prev: S\$0.49)

CNMC is positioned as a key beneficiary, selling gold at spot prices, and we view it as a leveraged play on rising gold prices, supported by a 60% production increase from April 2025 and a projected 20% growth in selling volume. We maintain our BUY rating with a higher DCF target price of S\$0.54 (prev:S\$0.49), reflecting a FY25e P/E of 9.0x. Our FY25e PATMI forecast is raised by 27% to US\$22.7mn, with the dividend payout ratio sustained at a minimum of 40%, translating to a yield of 5.5%. Given the anticipated exceptional profit, a special interim dividend to enhance shareholder value would not be unexpected. CNMC is trading at FY25e P/E of 7.3 and EV/EBITDA of 2.4x.

Financials

Income Statement

Y/E Dec (US\$'000)	FY22	FY23	FY24	FY25e	FY26e
Revenue	25,600	52,169	65,200	98,448	109,856
EBITDA	6,614	12,650	24,237	38,243	42,065
Dep & Amt	(5,064)	(4,818)	(6,747)	(5,559)	(5,048)
EBIT	1,550	7,832	17,490	32,684	37,017
Net Finance Inc/(Exp)	28	(3)	209	206	206
PBT	1,577	7,829	17,699	32,890	37,223
Tax	(1,025)	(2,755)	(5,477)	(10,196)	(11,539)
PATMI	552	5,075	12,221	22,694	25,684
Non-controlling interest	435	975	2,374	4,408	4,989

Per share data

Y/E Dec (US cents)	FY22	FY23	FY24	FY25e	FY26e
EPS	0.0	1.0	2.4	4.5	5.1
DPS (\$\$)	0.2	0.9	1.4	2.4	2.7
BVPS	11.2	11.6	12.0	12.8	11.2

Cash Flow

Y/E Dec (US\$'000)	FY22	FY23	FY24	FY25e	FY26e
CFO					
Profit for the year	552	5,075	12,221	22,694	25,684
Adjustments	8,077	6,360	13,225	5,352	4,842
WC changes	(13,081)	4,368	(949)	7,301	1,996
Others	(1,610)	(2,091)	(4,017)	-	-
Cashflow from ops	(6,063)	13,711	20,480	35,347	32,522
CFI					
CAPEX, net	(4,150)	(1,052)	(2,669)	(2,000)	(2,000)
Exploration & Evaluation Exp	(1,166)	(1,413)	(3,188)	(1,000)	(1,000)
Cashflow from investments	(5,214)	(2,228)	(5,357)	(2,603)	(2,603)
CFF					
Dividends to Company	(2,372)	(1,208)	(3,311)	(7,314)	(8,278)
Dividends to NCI	(1,168)	(647)	(1,110)	(1,763)	(1,996)
Interest paid	(41)	(28)	(59)	(7,314)	(1,996)
Cashflow from financing	(3,731)	(2,088)	(4,984)	(9,268)	(10,464)
Net change in cash	(15,007)	9,395	10,140	23,475	19,455
Effects of exchange rate	(146)	95	(364)	-	-
Ending cash	1,280	10,770	20,545	44,021	63,475

Source: Company, PSR

Balance Sheet

Y/E Dec (US\$'000)	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Exploration & Evaluation Assets	6,532	6,433	5,673	5,673	5,673
Mine Properties	16,674	17,545	18,574	17,717	16,945
Property, Plant and Equipment	14,218	14,749	14,808	13,106	11,830
Others	1,702	1,555	1,958	1,958	1,958
Total non-current assets	39,126	40,281	41,013	38,454	36,405
Cash	1,280	10,769	20,544	44,021	63,475
Trade receivables	1,299	1,343	1,485	2,461	2,746
Inventories	11,886	7,350	9,638	9,638	9,638
Others	167	-	-	-	-
Total current assets	14,632	19,462	31,667	56,120	75,860
Total Assets	53,758	59,743	72,680	94,573	112,265
LIABILITIES					
Trade payables	5,769	7,661	11,413	19,690	21,971
Borrowings	202	489	1,294	1,294	1,294
Dividend payable	358	683	900	900	900
Others	19	318	2,191	2,191	2,191
Total current liabilities	6,348	9,151	15,798	24,075	26,356
Borrowings	1,098	1,354	174	174	174
Rehabilitation Obligations	2,145	2,134	2,276	2,276	2,276
Total non-current liabilities	3,244	3,488	2,450	2,450	2,450
Total Liabilities	9,592	12,639	18,248	26,525	28,807

EQUITY

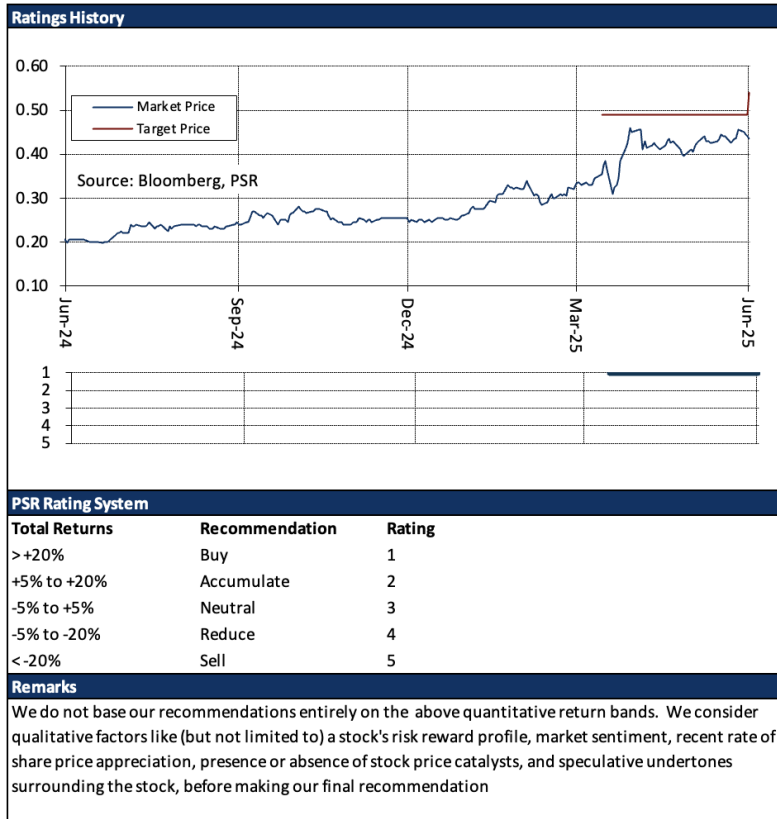
Share capital	18,032	18,032	18,032	18,032	18,032
Shareholder Equity	44,166	47,104	54,432	68,048	83,458

Valuation Ratios

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (x)	-	32.7	13.6	7.3	6.5
P/B (x)	3.0	2.9	2.8	2.6	3.0
EV/EBITDA (x)	20.3	10.0	4.8	2.4	1.7
Dividend yield (%)	0.5	2.0	3.2	5.5	6.2

Growth & Margins (%)

Growth					
Revenue		103.8%	25.0%	51.0%	11.6%
EBITDA		91.3%	91.6%	57.8%	10.0%
EBIT		405.4%	123.3%	86.9%	13.3%
PATMI		819.5%	140.8%	85.7%	13.2%
Margins					
EBITDA margin	25.8%	24.2%	37.2%	38.8%	38.3%
EBIT margin	6.1%	15.0%	26.8%	33.2%	33.7%
NP margin	2.2%	9.7%	18.7%	23.1%	23.4%
Key Ratios					
ROE (%)	3%	28%	68%	126%	142%
ROA (%)	1%	8%	17%	24%	23%
Net Cash (Net Debt)	(20)	8,926	19,076	42,552	62,007



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