

CNMC Goldmine Holdings

Record profit with 1.1cents special dividend



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SINGAPORE | MINING | 1H25 RESULT

- 1H25 PATMI was a strong beat, which formed 86% of our FY25e estimates. PATMI rose by 251%YoY to US\$19.4mn driven by a 41% YoY increase in the average selling price (ASP) of gold and a 26% YoY increase in sales volume.
- Revenue from non-gold metals such as lead, silver and zinc surged 77% YoY to US\$15mn, mainly supported by 53% YoY volume growth in silver and a 22% YoY increase in its ASP, while ASP for lead and zinc declined 6% YoY and 8% YoY respectively but were offset by higher production (+63% YoY and +55% YoY respectively).
- CNMC declared an interim dividend of 1.5 Singapore cents, including a special dividend of 1.1 cents, representing a payout ratio of c.29%. CNMC is well-positioned to capture further upside by selling gold at spot prices. Amid ongoing geopolitical tensions, global trade uncertainties, aggressive central bank purchases, and the Fed's monetary easing cycle, we remain bullish on gold prices. We expect 2H25 production to replicate 1H25 performance as CIL facility capacity expanded by 60%. We maintain our BUY rating with a higher DCF-TP of S\$0.70 (prev: S\$0.54), implying 9.1x FY25e P/E. We raise our FY25e PATMI forecast by 21% to US\$28.7mn, supported by significant operating leverage, with the dividend payout ratio maintained at a minimum of 40%, translating into a yield of 5.1%. CNMC is trading at FY25e P/E of 7.8x and EV/EBITDA of 2.9x, despite a share price rally of 132% YTD.

The Positives

| (mn) | 1H25 | 1H24 | YoY (%) | Comments |
|-----------------------|---------|---------|----------|---|
| Revenue | 52.8 | 29.7 | 77.96% | 41% YoY ASP of gold and a +26% YoY sales volume |
| PATMI | 19.4 | 5.5 | 251.18% | Operating leverage |
| Net profit margin | 36.8% | 18.6% | 18.2ppts | Operating leverage |
| Gold price | 3,197.0 | 2,266.0 | 41.09% | |
| Gold production | 11,811 | 9,357 | 26.23% | CIL facility |
| Revenue from non-gold | 15,044 | 8,469 | 77.64% | Higher production + higher silver price |
| All-in costs | 1,406 | 1,325 | 6.11% | |

Source: Company, PSR

The Positives

+ Salient operating leverage. Operating margin in 1H25 surged 22.8ppts to 48.5% as gold production grew 26% YoY. All-in costs rose 6.1% YoY (including a 38% YoY increase in royalty and tribute expenses, which are pegged to ASP). Still, they remained well below the 26% YoY production growth, reflecting substantial operating leverage. With the surge in production, CNMC benefited from economies of scale, with several fixed costs (e.g. site and factory expenses, rental and lease expenses) declining as a percentage of revenue. Net profit margin nearly doubled YoY to 36.8% in 1H25, supported by improved operating leverage and a 44% YoY increase in finance income. We expect EBITDA margin to expand 8.4ppts YoY to 45.6% in FY25e.

+ Tailwinds from gold. Sales revenue from gold rose 78% YoY in 1H2025, driven by a 41%YoY increase in the ASP of gold and a 26% YoY rise in production and sales volume. The higher production was supported by the completion of the expanded CIL plant in Apr25, which boosted daily processing capacity from 500 to 800 tonnes (+60%). We expect gold production in 2H25 to match 1H25 levels, with potential uncertainties from ore grade variations that could affect recovery rates. CNMC aims to mitigate this by blending grades to maintain consistency.

15 August 2025

BUY (Maintained)

| | |
|---------------|-----------|
| CLOSING PRICE | SGD 0.595 |
| FORECAST DIV | SGD 0.040 |
| TARGET PRICE | SGD 0.700 |
| TOTAL RETURN | 24.4% |

COMPANY DATA

| | |
|------------------------------|------------|
| Bloomberg Code | CNMCSP |
| O/S SHARES (MN) | 405 |
| MARKET CAP (USD mn / SGD mn) | 188 / 241 |
| 52 - WK HI/LO (SGD) | 0.6 / 0.23 |
| 3M Average Daily T/O (mn) | 3.1 |

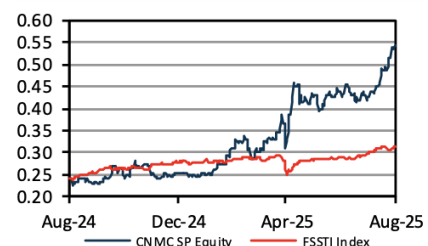
MAJOR SHAREHOLDERS (%)

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

PRICE PERFORMANCE (%)

| | 1MTH | 3MTH | 1YR |
|------------|------|------|-------|
| COMPANY | 25.0 | 34.1 | 143.8 |
| STI RETURN | 5.4 | 11.5 | 37.4 |

PRICE VS. STI



Source: Bloomberg, PSR

KEY FINANCIALS

| Y/E Dec | FY23 | FY24 | FY25e | FY26e |
|---------------------|------|------|-------|-------|
| Revenue (USD mn) | 52.2 | 65.2 | 103.1 | 113.7 |
| EBIT (USD mn) | 7.8 | 17.5 | 41.4 | 45.7 |
| Net Profit (USD mn) | 5.1 | 12.2 | 28.7 | 31.8 |
| P/E (x) | 44.2 | 18.4 | 7.8 | 7.1 |
| P/B (x) | 3.9 | 3.7 | 3.5 | 4.0 |
| EV/EBITDA (x) | 13.7 | 6.7 | 2.9 | 2.2 |
| Dividend Yield (%) | 1.5 | 2.4 | 5.1 | 5.7 |

VALUATION METHOD

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

| | |
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+ Increasing contributions from the by-products. Revenue from non-gold metals, including lead, silver, and zinc, surged 77% YoY to US\$15mn, driven mainly by 53% volume growth in silver and a 22% increase in its ASP. Although ASP for lead and zinc declined 6% YoY and 8% YoY, respectively, the impact was offset by higher production (+63% YoY and +55% YoY, respectively). We expect production of non-gold metals, including zinc, silver, and lead, to rise by at least 50% YoY in FY25e and contribute c.30%. 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.

The Negatives

-NIL

Outlook

CNMC is constructing its second underground gold mining facility at Sokor to access better-grade ore as the site reaches greater depth and scale. However, the project is likely to be delayed beyond the initial FY25e target due to groundwater build-up. With experience in handling such issues, we expect the project to be completed by 1H2026.

We are well aware of the seasonality in the business, as the monsoon season typically runs from mid-Nov to the end of January. However, CNMC maintains an ore stockpile of two weeks to buffer potential mining downtime caused by rain.

FY25e is poised to be a standout year for CNMC, supported by record-high gold prices and the production ramp-up. We expect CNMC to increase its payout ratio beyond 30% in 1H25, as the company currently holds cash of US\$38.7mn.

Maintain BUY with a higher TP of S\$0.70 (prev: S\$0.54)

CNMC announced an interim dividend of 1.5 Singapore cents, including a special dividend of 1.1 cents, reflecting a payout ratio of c.29%. We anticipate 2H25 production to mirror 1H25 results, driven by a 60% expansion in CIL facility capacity. We maintain our BUY rating and raise our DCF-TP to S\$0.70 (prev: S\$0.54), implying 9.1x FY25e P/E. FY25e PATMI is revised up by 21% to US\$28.7mn, underpinned by substantial operating leverage, with a minimum dividend payout ratio of 40%, translating into a yield of 5.1%. CNMC trades at a FY25e P/E of 7.8x and EV/EBITDA of 2.9x, despite a 132% YTD rally in its share price.

Financials

Income Statement

| Y/E Dec (US\$'000) | FY22 | FY23 | FY24 | FY25e | FY26e |
|--------------------------|---------|---------|---------|----------|----------|
| Revenue | 25,600 | 52,169 | 65,200 | 103,146 | 113,735 |
| EBITDA | 6,614 | 12,650 | 24,237 | 46,985 | 50,715 |
| Dep & Amt | (5,064) | (4,818) | (6,747) | (5,559) | (5,048) |
| EBIT | 1,550 | 7,832 | 17,490 | 41,426 | 45,666 |
| Net Finance Inc/(Exp) | 28 | (3) | 209 | 206 | 404 |
| PBT | 1,577 | 7,829 | 17,699 | 41,632 | 46,070 |
| Tax | (1,025) | (2,755) | (5,477) | (12,906) | (14,282) |
| PATMI | 552 | 5,075 | 12,221 | 28,726 | 31,789 |
| Non-controlling interest | 435 | 975 | 2,374 | 5,580 | 6,175 |

Per share data

| Y/E Dec (US cents) | FY22 | FY23 | FY24 | FY25e | FY26e |
|--------------------|------|------|------|-------|-------|
| EPS | 0.0 | 1.0 | 2.4 | 5.7 | 6.3 |
| DPS (\$\$) | 0.2 | 0.9 | 1.4 | 3.0 | 3.4 |
| 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 | 28,726 | 31,789 |
| Adjustments | 8,077 | 6,360 | 13,225 | 5,352 | 4,644 |
| WC changes | (13,081) | 4,368 | (949) | 8,123 | 1,853 |
| Others | (1,610) | (2,091) | (4,017) | - | - |
| Cashflow from ops | (6,063) | 13,711 | 20,480 | 42,201 | 38,286 |
| 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) | (2,405) |
| CFF | | | | | |
| Dividends to Company | (2,372) | (1,208) | (3,311) | (9,258) | (10,245) |
| Dividends to NCI | (1,168) | (647) | (1,110) | (2,232) | (2,470) |
| Interest paid | (41) | (28) | (59) | (9,258) | (2,470) |
| Cashflow from financing | (3,731) | (2,088) | (4,984) | (11,681) | (12,906) |
| Net change in cash | (15,007) | 9,395 | 10,140 | 27,916 | 22,974 |
| Effects of exchange rate | (146) | 95 | (364) | - | - |
| Ending cash | 1,280 | 10,770 | 20,545 | 48,462 | 71,436 |

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 | 48,462 | 71,436 |
| Trade receivables | 1,299 | 1,343 | 1,485 | 2,579 | 2,843 |
| Inventories | 11,886 | 7,350 | 9,638 | 9,638 | 9,638 |
| Others | 167 | - | - | - | - |
| Total current assets | 14,632 | 19,462 | 31,667 | 60,678 | 83,918 |
| Total Assets | 53,758 | 59,743 | 72,680 | 99,132 | 120,323 |
| LIABILITIES | | | | | |
| Trade payables | 5,769 | 7,661 | 11,413 | 20,629 | 22,747 |
| 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 | 25,014 | 27,132 |
| 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 | 27,465 | 29,582 |

EQUITY

| | | | | | |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Share capital | 18,032 | 18,032 | 18,032 | 18,032 | 18,032 |
| Shareholder Equity | 44,166 | 47,104 | 54,432 | 71,667 | 90,740 |

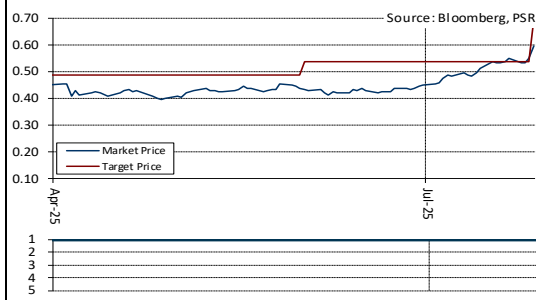
Valuation Ratios

| Y/E Dec | FY22 | FY23 | FY24 | FY25e | FY26e |
|--------------------|------|------|------|-------|-------|
| P/E (x) | - | 44.2 | 18.4 | 7.8 | 7.1 |
| P/B (x) | 4.0 | 3.9 | 3.7 | 3.5 | 4.0 |
| EV/EBITDA (x) | 27.4 | 13.7 | 6.7 | 2.9 | 2.2 |
| Dividend yield (%) | 0.3 | 1.5 | 2.4 | 5.1 | 5.7 |

Growth & Margins (%)

| | | | | | |
|---------------------|-------|--------|--------|--------|--------|
| Growth | | | | | |
| Revenue | | 103.8% | 25.0% | 58.2% | 10.3% |
| EBITDA | | 91.3% | 91.6% | 93.9% | 7.9% |
| EBIT | | 405.4% | 123.3% | 136.9% | 10.2% |
| PATMI | | 819.5% | 140.8% | 135.0% | 10.7% |
| Margins | | | | | |
| EBITDA margin | 25.8% | 24.2% | 37.2% | 45.6% | 44.6% |
| EBIT margin | 6.1% | 15.0% | 26.8% | 40.2% | 40.2% |
| NP margin | 2.2% | 9.7% | 18.7% | 27.8% | 27.9% |
| Key Ratios | | | | | |
| ROE (%) | 3% | 28% | 68% | 159% | 176% |
| ROA (%) | 1% | 8% | 17% | 29% | 26% |
| Net Cash (Net Debt) | (20) | 8,926 | 19,076 | 46,994 | 69,968 |

Ratings History



PSR Rating System

| Total Returns | Recommendation | Rating |
|---------------|----------------|--------|
| > +20% | Buy | 1 |
| +5% to +20% | Accumulate | 2 |
| -5% to +5% | Neutral | 3 |
| -5% to -20% | Reduce | 4 |
| < -20% | Sell | 5 |

Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

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