

CNMC Goldmine Holdings

13 March 2025

BUY (Maintained)

BBG	CNMC SP
Share price	S\$0.31
Market cap (\$m)	S\$125.6m
Price target	S\$0.45 (Prev: 0.33)
52-week range	S\$0.199-0.34
Shares Outstanding	405.3m
Free Float	62%
Major Shareholder	Innovation China 26.4% Messiah Ltd 10.5%

P/B (FY24)	1.9x
Net gearing (FY24)	Net cash

Source: Company data, Bloomberg, SAC Capital

Analyst

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All That Glitters is Gold

Up and away. CNMC's FY24 results was within expectations. Revenue and net profit recorded an impressive 25% and 104% increase, respectively. This was primarily driven by significantly higher base metal prices and improved production margin. FY24 average realised gold price was US\$2,455/oz versus FY23's US\$1,960/oz.

Expansion plans on track. Its Sokor Gold Project is expected to increase the Group's gold processing capacity by 60%, from the existing 500 tonnes per day to 800 tonnes per day, at an investment of RM9m funded through its internal resources. It is expected to be completed by 1H25. We have conservatively assumed of the 60% increased capacity, only 20% is recognised in FY25 and 40% in FY26. A further 10 percentage points increase will lift our FY25 net profit forecast by close to 10%.

Gold prices are expected to stay elevated in the foreseeable. The relentless imposition of tariffs by the current US administration will exert upward pressure on global inflation. Typically, gold performs well in such a scenario. Additionally, ongoing geopolitical tensions—including conflicts in Europe and the Middle East, could further enhance gold's appeal as a safe-haven asset.

We maintain our BUY recommendation. We have lifted our FY25 net profit forecast by 21% to US\$12.75m to reflect stronger sales and higher base metal prices. As such, we have revised our price target to S\$45 from S\$33. Besides expecting strong earnings growth, investors may look forward to attractive dividend yields of 5-8% over the next 2 fiscal years.

Year End 31 Dec (US\$m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	25.6	52.2	65.2	86.4	108.6
% chg	-22.1%	103.8%	25.0%	32.5%	25.7%
EBIT	1.6	7.8	17.5	28.6	40.7
% chg	-49.1%	405.2%	123.3%	63.3%	42.3%
EBIT margin	6.1%	15.0%	26.8%	33.1%	38.4%
Net profit	0.6	5.1	12.2	15.9	17.6
% chg	-73.2%	818.9%	140.9%	30.4%	10.4%
Net margin	2.2%	9.7%	18.7%	18.4%	16.2%
EPS (S¢)	0.04	1.36	3.24	4.22	4.52
DPS (S¢)	0.20	0.90	1.40	1.69	2.40
Dividend yield	1.0%	4.6%	4.5%	5.5%	7.7%
PER (x)	na	15	9.6	7.3	6.9
PB (x)	1.6	1.5	1.9	1.7	1.5

FY2024 Revenue Breakdown

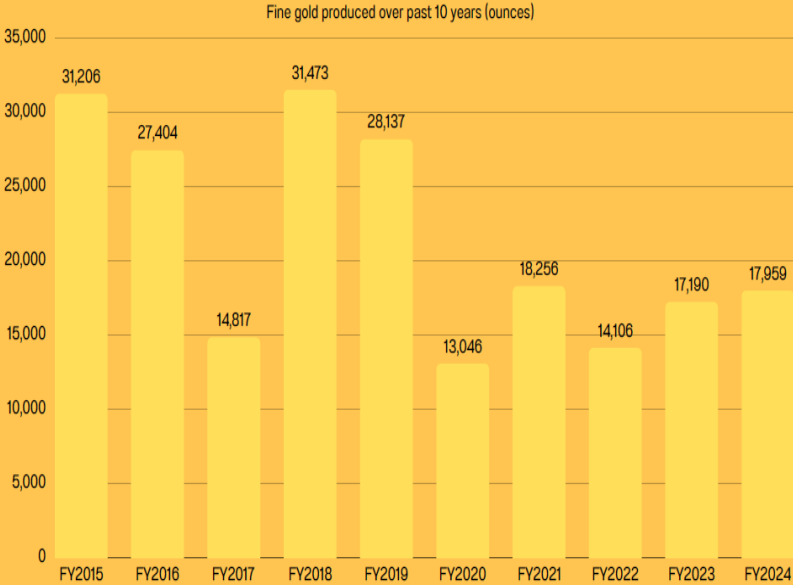
	UOM	FY2024			FY2023			Movement		
		Revenue	Volume	Price	Revenue	Volume	Price	Revenue	Volume	Price
		US\$'000	UOM	US\$/UOM	US\$'000	UOM	US\$/UOM			
Gold	oz	44,087	17,958.95	2,455	33,699	17,190.51	1,960	31%	4%	25%
Lead in lead concentrate	t	3,656	2,427.20	1,506	3,064	1,949.69	1,572	19%	24%	-4%
Gold in lead concentrate	oz	8,047	3,959.87	2,032	9,099	5,545.18	1,641	-12%	-29%	24%
Silver in lead concentrate	oz	4,739	248,430.81	19	3,254	216,259.18	15	46%	15%	27%
Zinc concentrate	t	4,671	2,711.38	1,723	3,053	1,980.58	1,541	53%	37%	12%
		65,200			52,169					
Gold equivalent ounces ¹		65,200	26,558.04	2,455	52,169	26,616.84	1,960	25%	0%	25%

UOM: Unit of Measurement
T: Tonnes
Oz: Ounces

¹ Gold Equivalent Ounces ("GEO") are based on the price assumption by referencing the average realised gold price during the period.
GEO formula = "Total Revenue" divided by "realised average selling price for gold"

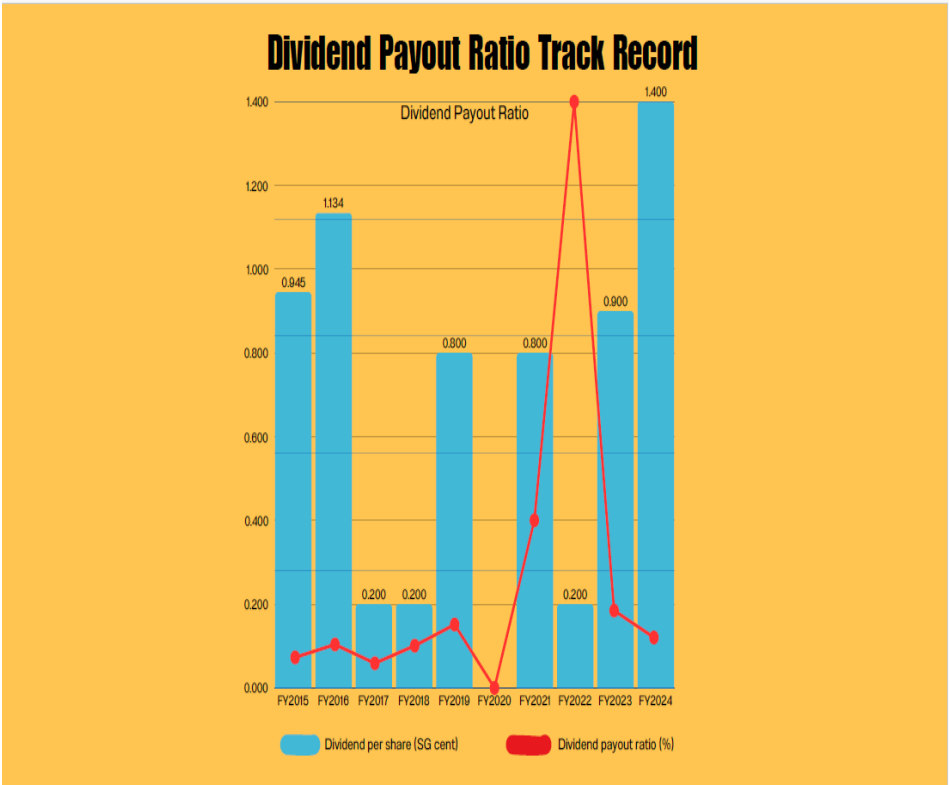
Source: Company data

Annual Gold Production*: FY2015 to FY2024



*Excludes gold produced from flotation plant in lead concentrates

Source: Company data



Source: Company data

Income Statement

YE 31 Dec (US\$m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	25.6	52.2	65.2	86.4	108.6
Other income	0.1	1.4	0.3	0.6	0.8
Changes in inventories	8.5	(6.2)	1.6	2.1	2.6
Amortisation & depreciation	(5.1)	(4.8)	(6.7)	(8.9)	(11.2)
Fixed expenses	(25.5)	(34.7)	(41.4)	(50.0)	(58.3)
Other expenses	(2.0)	(0.1)	(1.4)	(1.6)	(1.9)
Total expenses	(24.2)	(45.7)	(48.0)	(58.4)	(68.7)
Net finance costs	0.0	0.0	0.2	0.2	0.2
Profit before tax	1.6	7.8	17.7	28.8	40.9
Tax expenses	(1.0)	(2.8)	(5.5)	(12.9)	(18.3)
<i>Tax expenses (%)</i>	<i>65.0%</i>	<i>35.2%</i>	<i>44.7%</i>	<i>44.7%</i>	<i>44.7%</i>
Net profit	0.6	5.1	12.2	15.9	22.6

Balance Sheet

YE 31 Dec (US\$m)	FY22	FY23	FY24	FY25F	FY26F
Exploration and evaluation assets	6.5	6.4	5.7	5.7	5.7
Mine properties	16.7	17.5	18.6	23.5	31.7
Property, plant and equipment	14.2	14.7	14.8	13.3	11.7
Interests in subsidiaries	-	-	-	-	-
Deferred tax assets	1.0	0.9	1.2	1.2	1.2
Mine rehabilitation fund	0.7	0.7	0.7	0.7	0.7
Non-current assets	39.1	40.3	41.0	44.4	51.0
Inventories	11.9	7.4	9.6	11.8	13.1
Current tax assets	0.2	-	-	-	-
Trade and other receivables	1.3	1.3	1.5	1.3	1.3
Cash and cash equivalents	1.3	10.8	20.5	24.6	28.5
Current assets	14.6	19.5	31.7	37.7	42.9
Share capital	18.0	18.0	18.0	18.0	18.0
Preference shares	-	-	0.0	0.0	0.0
Treasury shares	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Reserves	3.4	3.5	3.4	3.4	3.4
Retained earnings	17.5	20.3	26.7	33.4	41.7
Equity attributable to owners	38.6	41.5	47.8	54.5	62.8
Non-controlling interests	5.6	5.6	6.7	6.7	6.7
Total equity	44.2	47.1	54.4	61.2	69.5
Loans and borrowings	1.1	1.4	0.2	0.2	0.2
Rehabilitation obligations	2.1	2.1	2.3	2.3	2.3
Non-current liabilities	3.2	3.5	2.5	2.5	2.5
Loans and borrowings	0.2	0.5	1.3	1.3	1.3
Trade and other payables	5.8	7.7	11.4	15.1	19.0
Dividends payable	0.4	0.7	0.9	1.2	0.6
Current tax liabilities	-	0.3	2.2	0.8	1.1
Current liabilities	6.3	9.2	15.8	18.5	22.0
Total liabilities	9.6	12.6	18.2	20.9	24.5

Cash Flow

YE 31 Dec (US\$m)	FY22	FY23	FY24	FY25F	FY26F
Profit for the year	0.6	5.1	12.2	15.9	22.6
Adjustments for:					
Amortisation of mine properties	0.8	1.2	2.5	2.5	2.5
Depre of PPE	4.2	3.6	4.2	4.2	4.2
Gain on disposal	-	(0.2)	(0.1)	(0.1)	(0.1)
Interest expense	0.1	0.2	0.2	0.2	0.2
Interest income	(0.1)	(0.2)	(0.4)	(0.4)	(0.4)
PPE written off	0.5	-	-	-	-
Unrealised forex loss	0.6	0.0	(0.0)	(0.0)	(0.0)
Tax expenses	1.0	2.8	5.5	5.5	5.5
Impairment losses	-	-	1.3	1.3	1.3
Inventories write down	1.0	(1.0)	-	-	-
Gain on discount	(0.1)	(0.1)	-	-	-
Changes in:					
Inventories	(10.3)	5.5	(2.29)	(3.0)	(3.8)
Trade payables	0.2	0.1	(0.44)	(0.6)	(0.7)
Cash from operations	(3.0)	(1.2)	1.78	2.4	3.0
Tax paid	(4.5)	15.8	24.5	27.9	34.3
Net cash from ops	(6.1)	13.7	20.5	15.0	16.0
Payment for exploration/eval	(1.2)	(1.4)	(3.19)	(3.2)	(3.2)
Sales of PPE	-	0.1	0.10	0.1	0.1
Purchase of PPE	(4.1)	(1.1)	(2.67)	(2.7)	(2.7)
Interest received	0.1	0.2	0.40	0.4	0.4
Net cash from invest	(5.2)	(2.2)	(5.4)	(5.4)	(5.4)
Dividends paid to shareholders	(2.4)	(1.2)	(3.31)	(3.6)	(5.1)
Dividends paid to preference holders	(1.2)	(0.6)	(1.11)	(1.8)	(2.6)
Payment of lease liabilities	(0.2)	(0.2)	(0.50)	(0.5)	(0.5)
Interest paid	-	-	(0.06)	(0.3)	(0.3)
Share buyback	-	-	-	1.0	2.0
Net cash used in financing	(3.7)	(2.1)	(5.0)	(5.2)	(6.4)
Net change in cash	(15.0)	9.4	10.1	4.4	4.2
Beginning cash	16.4	1.3	10.8	20.5	24.6
Exchange rate	(0.1)	0.1	(0.36)	(0.4)	(0.4)
End cash	1.3	10.8	20.5	24.6	28.5

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