

16 July 2024

LSE: PDL

**Petra Diamonds Limited
(Petra or the Company)**

Q4 and FY 2024 Operating Update

Richard Duffy, Chief Executive Officer of Petra, commented:

“At our recent investor day, we unveiled our plans to demonstrate Petra Diamonds’ enhanced resilience and compelling value proposition. We are focussed on delivering our target of US\$30 million in sustainable annual cost savings together with a smoothed capital profile, to generate net free cash from the current financial year onwards. This will allow us to continue to deleverage and provide flexibility with regards to refinancing our 2026 2L Notes.

During FY 2024, carats sold increased by 36% compared to FY 2023, with revenue rising by 13%. This increase was driven by Williamson ramping up to steady-state operations and the planned benefit of the delayed sale of the final tender in FY 2023. Annual production was slightly below our revised guidance at 2.73 million carats.

Our net debt decreased by US\$11 million to US\$201 million at 30 June 2024, compared to US\$212 million at 31 December 2023, reflecting our agility in exceeding the cost reduction, capital savings and deferral targets announced in November 2023.

Current diamond market weakness is expected to continue through to the end of the calendar year with some price volatility. We expect diamond prices to show modest recovery in the new year with market fundamentals providing pricing support in the medium and longer-term. We are looking forward to addressing the challenges ahead of us from a position of strength, with world class assets that have long term-potential, strong sustainability credentials and an ability to withstand market and capital cycles.”

Highlights vs Q3 FY 2024

- LTIFR and LTIs improved to 0.13 and 2 respectively (Q3 FY 2024: 0.20 and 3 respectively)
- Ore processed increased marginally to 3.0Mt from 2.9Mt with the ramp-up at Williamson increasing production by 0.1Mt and a steady quarter at the Cullinan and Finsch Mines
 - Improvements in grade recovery continued at Finsch given increasing contribution from 78-Level Phase II. Work to resolve the winder issues and the transition from continuous operations to a two-shift, five-day configuration has reduced carats recovered from Q3 FY 2024
- Revenue, including revenue from profit share arrangements, amounted to US\$113 million (Q3 FY 2024: US\$66 million), with the increase due to the timing of receipts from Tender 5 carried over from the previous quarter
- Support from South African Rand weakness continued throughout the period, with the Rand averaging ZAR18.71:US\$1 (Q3 FY 2024: ZAR18.95:US\$1)
- Operational capital expenditure for Q4 FY 2024 totalled US\$18 million, in-line with updated guidance announced following the decision to defer certain capital project expenditure
- Amounts drawn under the ZAR1.75 billion (US\$96 million) Revolving Credit Facility with Absa Bank remains unchanged, leaving an outstanding balance of ZAR450 million (US\$25 million) at 30 June 2024, down from ZAR850 million (US\$47 million) at 31 December 2023
- Consolidated net debt decreased to US\$201 million as at 30 June 2024 (31 March 2024: US\$232 million) with US\$5 million of 2026 2L Notes bought through an Open Market Repurchase programme

Operating Summary

		Three months				Twelve months		
		Q4 FY 2024	Q3 FY 2024	Var.	Q4 FY 2023 Restated ³	FY 2024	FY 2023 Restated ³	Var.
Safety								
LTIFR	Rate	0.13	0.20	-35%	0.12	0.16	0.24	-33%
LTIs	Number	2	3	-33%	2	10	17	-41%
Sales								
Diamonds sold	Carats	1,022,430	476,730	+114%	561,624	3,158,780	2,329,817	+36%
Revenue ¹	US\$m	112	66	+71%	50	366	324	+13%
Contribution from Exceptional Stones ²	US\$m	-	-	-	-	-	-	-

Production								
ROM tonnes	Mt	2,880,975	2,851,469	+1%	1,826,843	11,325,340	8,637,232	+31%
Tailings and other tonnes	Mt	107,203	75,100	+43%	102,193	369,546	399,877	-8%
Total tonnes treated	Mt	2,988,178	2,926,569	+2%	1,929,036	11,694,886	9,037,109	+29%
ROM diamonds	Carats	603,217	643,350	-6%	592,374	2,593,471	2,517,309	+3%
Tailings and other diamonds	Carats	33,526	22,227	+51%	27,644	136,389	149,216	-9%
Total diamonds	Carats	636,743	665,577	-4%	620,018	2,729,861	2,666,525	+2%

¹ Revenue reflects proceeds from the sale of rough diamonds and excludes revenue from profit share arrangements

² Petra classifies "Exceptional Stones" as rough diamonds which sell for US\$15 million or more each

³ Restated to exclude Koffiefontein which is classified as a discontinued operation

Group guidance for FY 2025 to 2029

	Unit	FY25	FY26	FY27	FY28	FY29
Total carats recovered	Mcts	2.8-3.1	2.9-3.3	3.1-3.5	3.4-3.7	3.4-3.7
Cash on-mine costs and G&A	US\$m	241-257	241-257	227-242	239-255	251-266
Extension capex	US\$m	62-67	86-93	78-84	81-88	41-44
Sustaining capex	US\$m	26-30	25-28	21-23	22-25	23-25

Notes: Guidance for FY 2026 to 2029 is subject to the Board's approval of future budgets

Real amounts stated in FY 2025 money terms using 6% SA CPI & 2.5% US CPI. US\$ equivalent for SA operations converted at an exchange rate of USD1:ZAR18.36

Detailed mine-by-mine guidance for FY 2025 to 2029 can be found in the guidance section of our website: <https://www.petradiamonds.com/investors/shareholder-centre/analysts/>

INVESTOR WEBCASTS

Webcast presentation for institutional investors and analysts at 09:30am BST today

Petra's CEO, Richard Duffy, and CFO designate, Johan Snyman, will host a live virtual presentation including Q&A for institutional investors and analysts at 09:30 BST today to discuss this operating update.

Link for live presentation via Teams: <https://events.teams.microsoft.com/event/c44e6be5-431f-4e65-8ee3-37c3811ddf84@3c08cd12-de9b-4814-9ea3-392066758217>

Link for recording (available later in the day):

<https://www.petradiamonds.com/investors/results-reports/>

Investor Meet Company webcast at 14.30pm BST today

Petra's CEO, Richard Duffy, and CFO designate, Johan Snyman, will also present these results live on the Investor Meet Company platform, predominantly aimed at retail investors. To join: <https://www.investormeetcompany.com/petra-diamonds-limited/register-investor>

FURTHER INFORMATION

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Notes:

The following definitions have been used in this announcement:

- cph: carats per hundred tonnes
- LTIs: lost time injuries
- LTIFR: lost time injury frequency rate, calculated as the number of LTIs multiplied by 200,000 and divided by the number of hours worked
- FY: financial year ending 30 June
- CY: calendar year ending 31 December
- Q: quarter of the financial year
- ROM: run-of-mine (i.e. production from the primary orebody)

- h. *m: million*
i. *Mt: million tonnes*
j. *Mcts: million carats*
k. *period: the fourth quarter of FY 2024*

ABOUT PETRADIAMONDS

Petra Diamonds is a leading independent diamond mining group and a supplier of gem quality rough diamonds to the international market. The Company's portfolio incorporates interests in three underground mines in South Africa (Cullinan Mine, Finsch and Koffiefontein) and one open pit mine in Tanzania (Williamson). The Koffiefontein mine is currently on care and maintenance in preparation for a possible sale following the execution of a definitive sales agreement as announced on 8 April 2024.

Petra's strategy is to focus on value rather than volume production by optimising recoveries from its high-quality asset base in order to maximise their efficiency and profitability. The Group has a significant resource base which supports the potential for long-life operations.

Petra strives to conduct all operations according to the highest ethical standards and only operates in countries which are members of the Kimberley Process. The Company aims to generate tangible value for each of its stakeholders, thereby contributing to the socio-economic development of its host countries and supporting long-term sustainable operations to the benefit of its employees, partners and communities.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL'. The Company's loan notes due in 2026 are listed on the Irish Stock Exchange and admitted to trading on the Global Exchange Market. For more information, visit www.petradiamonds.com.

Corporate and financial summary as at 30 June 2024

	Unit	As at 30 June 2024	As at 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023
Cash at bank – (including restricted amounts) ¹	US\$m	40	37	75	74	62
• Petra Group (excl. Williamson)	US\$m	47	42	85	73	61
• Williamson	US\$m	(7)	(5)	(10)	1	1
Diamond debtors	US\$m	31	11	8	33	9
Diamond inventories ²	US\$m	32	71	54	52	66
	Carats	286,303	671,989	483,142	479,430	715,222
2026 Loan Notes ³	US\$m	246	256	249	255	248
Bank loans and borrowings ⁴	US\$m	25	24	47	45	-
Consolidated Net Debt ⁵	US\$m	201	232	212	192	177
Bank facilities undrawn and available ⁴	US\$m	72	69	8	8	53

Note: The following exchange rates have been used for this announcement: average for FY 2024 US\$1: ZAR18.71 (FY 2023: US\$1: ZAR17.77); closing rate as at 30 June 2024 US\$1: ZAR18.19 (31 March 2024: US\$1: ZAR18.92; 31 December 2023: US\$1: ZAR18.28 and 30 June 2023: US\$1: ZAR18.83).

Notes:

- The Group's cash balances excluding Williamson comprise unrestricted balances of US\$27 million, and restricted balances of US\$20 million.
- Recorded at the lower of cost and net realisable value.
- The 2026 Loan Notes, originally issued following the capital restructuring (the "Restructuring") completed during March 2021, have a carrying value of US\$246 million which represents the outstanding principal amount of US\$206 million (after the debt tender offers as announced in September and October 2022) plus US\$47 million of accrued interest and is stated net of unamortised transaction costs capitalised of US\$7 million. During quarter 4 of FY 2024 Petra purchased 2026 Loan Notes with a nominal value of US\$5 million through an open market repurchase programme. The repurchased notes were cancelled.
- Bank loans and borrowings represent the Group's ZAR1.75 billion (US\$96 million) revolving credit facility. As at 30 June 2024, a total of ZAR450 million (US\$25 million) was drawn leaving a further balance of ZAR1.3 billion (US\$72 million) available for drawdown.
- Consolidated Net Debt is bank loans and borrowings plus loan notes, less cash and diamond debtors.

Mine-by-mine tables:

Cullinan Mine – South Africa

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	Unit	Three months			Twelve months			
		Q4 FY 2024	Q3 FY 2024	Var.	Q4 FY 2023	FY 2024	FY 2023	Var.
Sales								
Revenue	US\$m	61	32	+90%	31	189	182	+4%
Diamonds sold	Carats	534,767	233,460	+129%	327,429	1,633,456	1,306,457	+25%
Average price per carat	US\$	113	137	-17%	94	116	139	-17%
ROM Production								
Tonnes treated	Tonnes	1,117,591	1,164,009	-4%	1,120,346	4,497,444	4,376,595	+3%
Diamonds produced	Carats	299,301	319,490	-6%	323,535	1,268,402	1,343,191	-6%
Grade ¹	Cpht	26.8	27.4	-2%	28.90	28.2	30.7	-8%
Tailings Production								
Tonnes treated	Tonnes	107,203	75,100	+43%	102,193	369,546	352,375	+5%
Diamonds produced	Carats	33,526	22,227	+51%	27,644	136,389	142,654	-4%
Grade ¹	Cpht	31.3	29.6	+6%	27.10	36.9	40.5	-9%
Total Production								
Tonnes treated	Tonnes	1,224,795	1,239,109	-1%	1,222,539	4,866,990	4,728,970	+3%
Diamonds produced	Carats	332,828	341,717	-3%	351,179	1,404,791	1,485,846	-5%

Note 1: Petra is not able to precisely measure the ROM/ tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.

Finsch – South Africa

	Unit	Three months			Twelve months			
		Q4 FY 2024	Q3 FY 2024	Var.	Q4 FY 2023	FY 2024	FY 2023	Var.
Sales								
Revenue	US\$m	37	16	+134%	19	120	93	+28%
Diamonds sold	Carats	400,322	152,984	+162%	234,195	1,227,409	848,236	+45%
Average price per carat	US\$	93	104	-11%	81	98	110	-11%
ROM Production								
Tonnes treated	Tonnes	446,012	470,706	-5%	706,497	2,096,730	2,431,262	-14%
Diamonds produced	Carats	222,387	242,543	-8%	268,839	1,001,636	1,033,602	-3%
Grade ¹	Cpht	49.9	51.5	-3%	38.1	47.8	42.5	+12%
Tailings Production								
Tonnes treated	Tonnes	-	-	-	-	-	47,502	-
Diamonds produced	Carats	-	-	-	-	-	6,562	-
Grade ¹	Cpht	-	-	-	-	-	13.8	-
Total Production								
Tonnes treated	Tonnes	446,012	470,706	-5%	706,497	2,096,730	2,478,764	-15%
Diamonds produced	Carats	222,387	242,543	-8%	268,839	1,001,636	1,040,164	-4%

Note 1: Petra is not able to precisely measure the ROM/ tailings grade split because ore from both sources is processed through the same plant; the Company therefore back-calculates the grade with reference to resource grades.

Williamson – Tanzania

	Unit	Three months			Twelve months			
		Q4 FY 2024	Q3 FY 2024	Var.	Q4 FY 2023	FY 2024	FY 2023	Var.
Sales								
Revenue	US\$m	15	18	-18%	-	59	49	+16%
Diamonds sold	Carats	87,341	90,285	-3%	-	297,915	175,124	+70%
Average price per carat	US\$	168	198	-15%	-	191	280	-32%
ROM Production								
Tonnes treated	Tonnes	1,317,372	1,216,754	+8%	-	4,731,166	1,829,376	+159%
Diamonds produced	Carats	81,529	81,317	+0%	-	323,434	140,516	+130%
Grade ¹	Cpht	6.2	6.7	-7%	-	6.8	7.7	-11%
Total Production								
Tonnes treated	Tonnes	1,317,372	1,216,754	+8%	-	4,731,166	1,829,376	+159%
Diamonds produced	Carats	81,529	81,317	+0%	-	323,434	140,516	+130%

FY 2024 Capital expenditure breakdown

US\$m	Q4 FY 2024			FY 2024			FY 2023
	Extension	Stay-in-	Total	Extension	Stay-in-	Total	Total

		Business			Business		
Cullinan Mine	7	4	11	36	12	48	53
Finsch	4	1	5	19	6	25	43
Williamson	—	2	2	—	10	10	19
Total	11	7	18	55	28	83	115



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