



# 2020 Financial Results – 26 August 2020

JIM BEYER – Managing Director & CEO & JON LATTO – Chief Financial Officer

ASX:RRL



## CAUTIONARY STATEMENT

These materials prepared by Regis Resources Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

ASX announcements are available on the Company’s website at [www.regisresources.com.au](http://www.regisresources.com.au)

# FY20 FINANCIAL HIGHLIGHTS

3

**Record NPAT of \$200M up 22%**  
NPAT Margin of 26%  
EPS up 22% to 39 cents per share  
ROE of 24%

**EBITDA<sup>1</sup>**  
**\$394m up 28%**  
EBITDA Margin 52%

**Cash flow from  
operating activities**  
**\$343m up 24%**

**Cash & Bullion**  
**\$209m<sup>2</sup>**  
**No debt**

**Full Year Dividends**  
**16c per share**  
**2.9% basic yield**  
**4.1% grossed up yield<sup>3</sup>**

1. EBITDA is an adjusted measure of earnings before interest, taxes, depreciation and amortisation. EBITDA is non-IFRS financial information and is not subject to audit. The measure is included to assist investors to better understand the performance of the business EBITDA in FY20 was increased by \$8.9 million as a result of the introduction of AASB16 (Leases)

2. Includes bullion on hand valued at \$2,576 per ounce

3. Grossed up for 100% franking. Annualised dividend yield of 16cps at a closing share price of \$5.55 on 25 August 2020

## FY2020 FULL YEAR FINANCIAL RESULTS

	Unit	FY2020 30 June 2020	FY2019 30 June 2019
Ounces Produced	oz	352,042	363,418
Ounces Sold	oz	353,182	369,721
Average Realised Price	\$/oz	2,200	1,765
Sales Revenue <sup>1</sup>	\$m	756.7	654.8
Royalties	\$m	(37.3)	(28.4)
Cost of Sales	\$m	(414.8)	(373.6)
<b>Gross Profit</b>	<b>\$m</b>	<b>304.6</b>	<b>252.8</b>
Other Income/(Expenses)	\$m	(0.2)	4.4
Administration and Other Costs	\$m	(16.1)	(15.6)
Finance Costs	\$m	(2.0)	(1.4)
Exploration expenditure written off	\$m	(1.7)	(6.7)
<b>Profit Before Tax</b>	<b>\$m</b>	<b>284.6</b>	<b>233.5</b>
Income Tax Expense	\$m	(85.1)	(70.3)
<b>Net Profit After Tax</b>	<b>\$m</b>	<b>199.5</b>	<b>163.1</b>
All-in-Sustaining-Costs	\$/oz	1,246	1,029

Record NPAT of  
\$200M up 22%  
NPAT Margin of 26%  
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EBITDA  
A\$394m up 28%  
EBITDA Margin 52%

Cash & Bullion  
A\$209m<sup>2</sup>  
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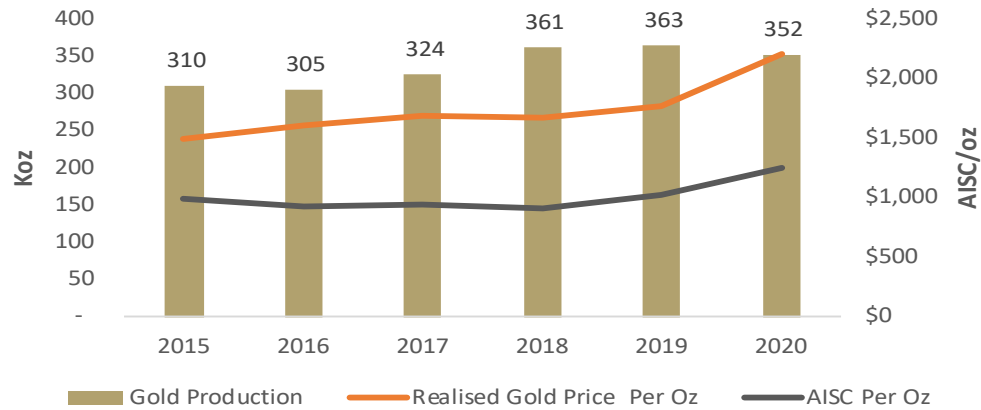
1. In FY2020, sales revenue is net of \$21.2m in capitalised revenue generated from pre-production assets
2. Includes bullion on hand valued at \$2,576 per ounce



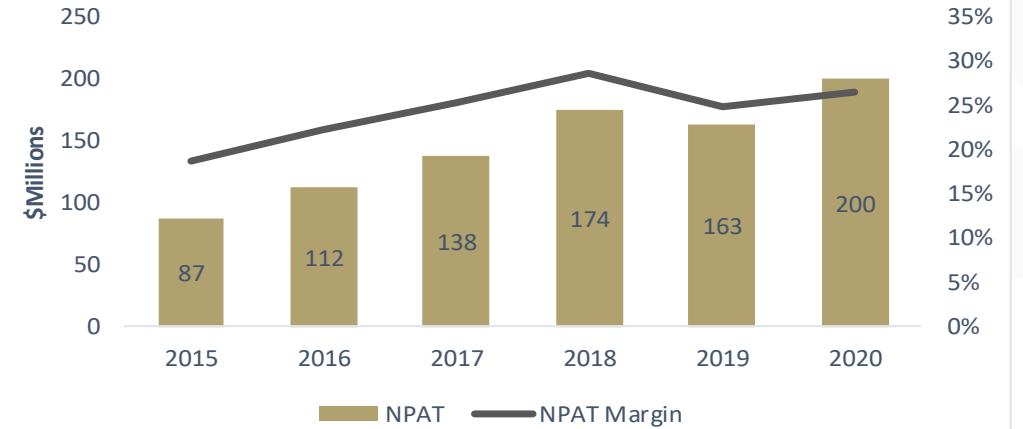
# STRONG PERFORMANCE ON KEY FINANCIAL METRICS

FY20 continues the trend

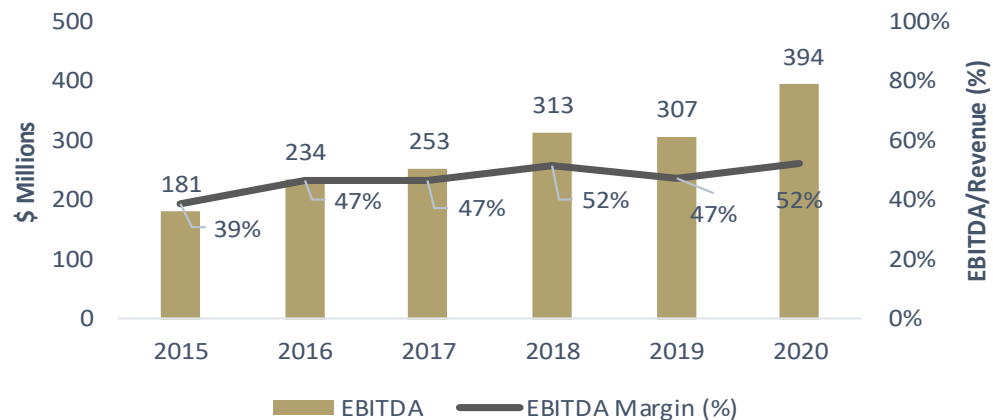
### Production, Realised Gold Price & AISC



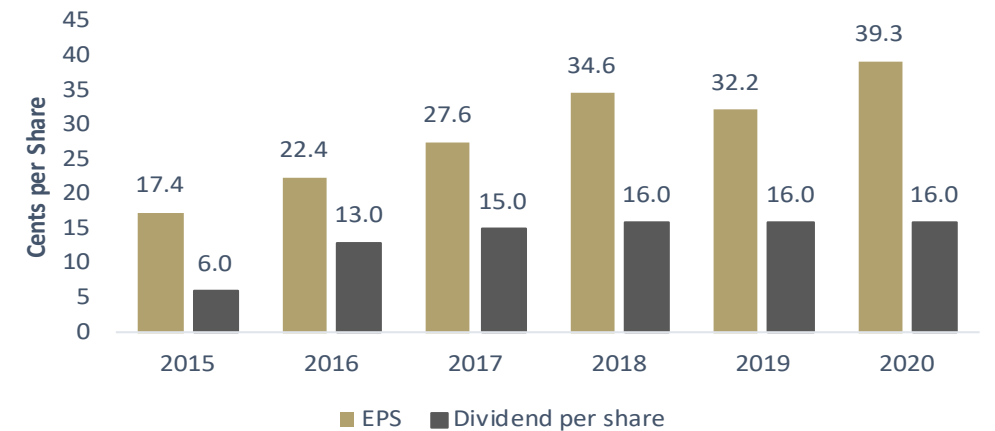
### Net Profit After Tax and Margin



### EBITDA and Margin



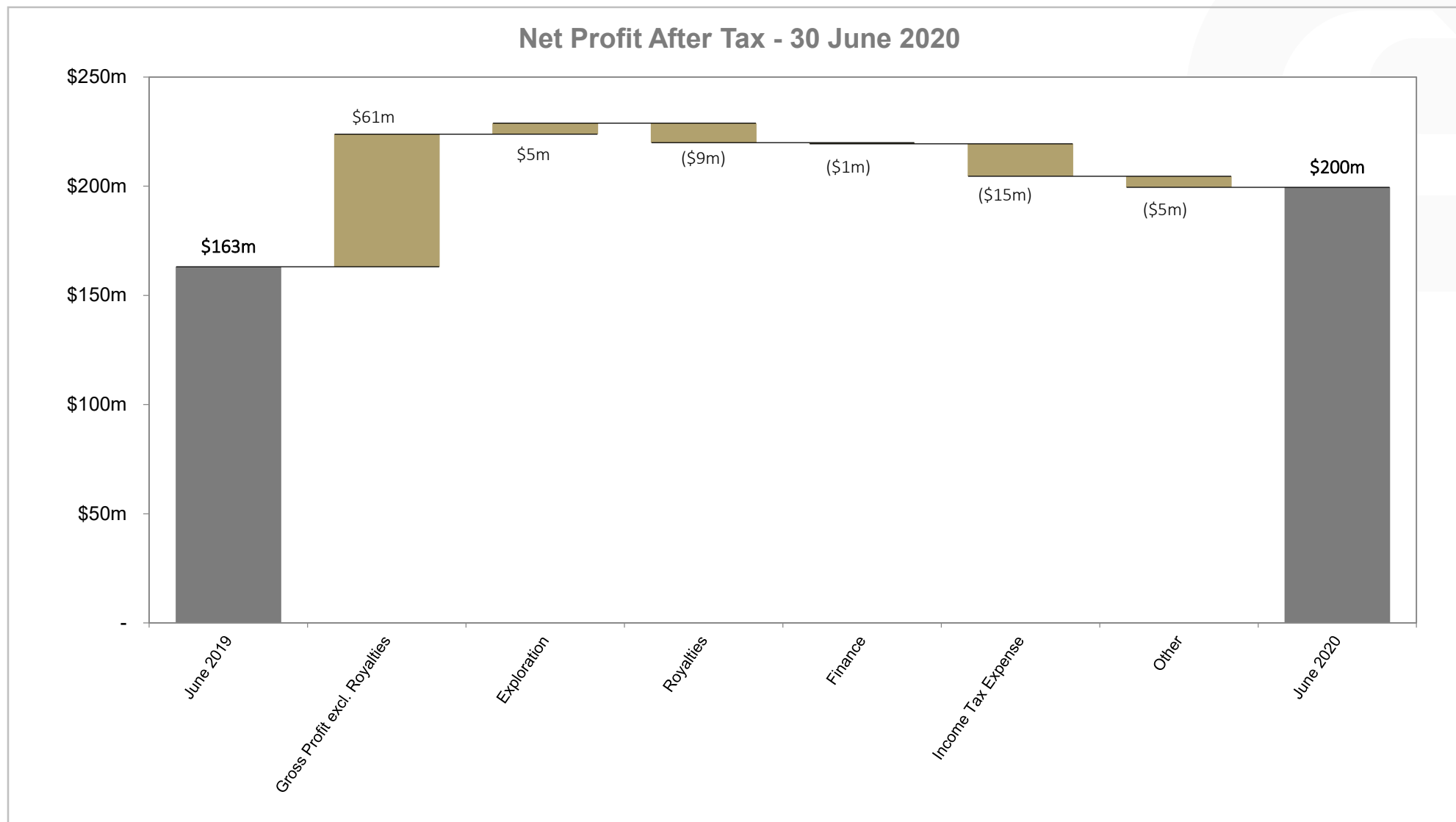
### Earnings & Dividend per Share





# STRONG GROWTH IN YEAR ON YEAR NET PROFIT AFTER TAX

FY20 continues the growth trend

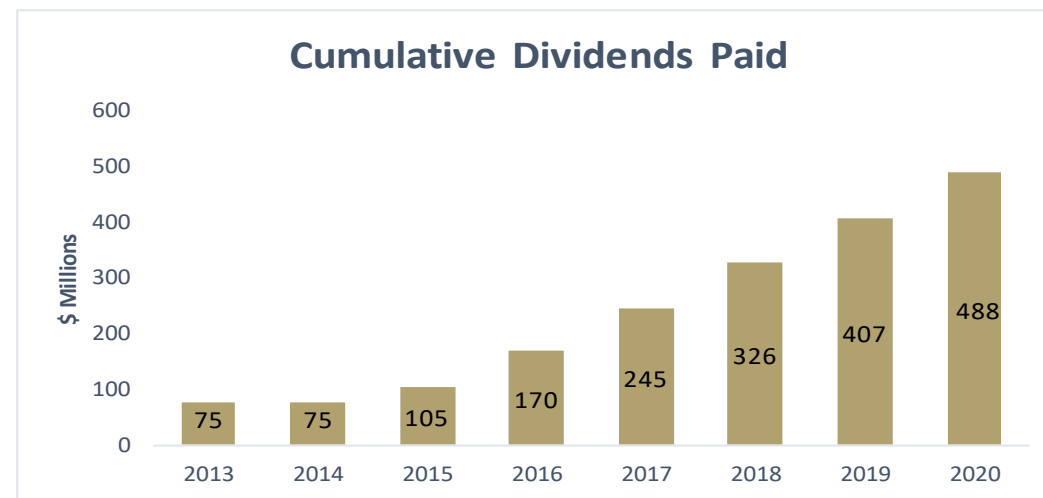
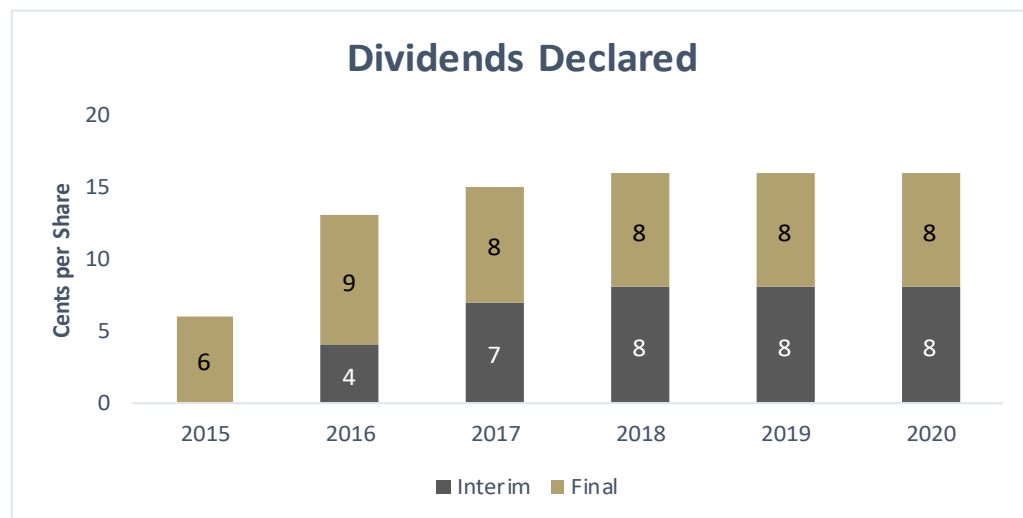




# CIRCA HALF A BILLION DOLLARS IN DIVIDENDS SINCE 2013

Regis continues to be an Australian gold industry leader on dividend payment metrics

- 🌀 Final dividend of 8 cps (\$41m) fully franked payout
- 🌀 Total dividends for FY20 of 16 cps (\$81m) fully franked
  - 🌀 11% of FY20 revenue and 21% of EBITDA<sup>1</sup>
  - 🌀 2.9% basic dividend yield<sup>2</sup>
  - 🌀 4.1% grossed up (for 100% franking) dividend yield
- 🌀 Regis has paid and/or declared 97cps - \$488 million in dividends since 2013
- 🌀 Dividend Reinvestment Plan announced
- 🌀 Level of future dividends will continuously be assessed in the context of gold price, operational performance and planned capital expenditure

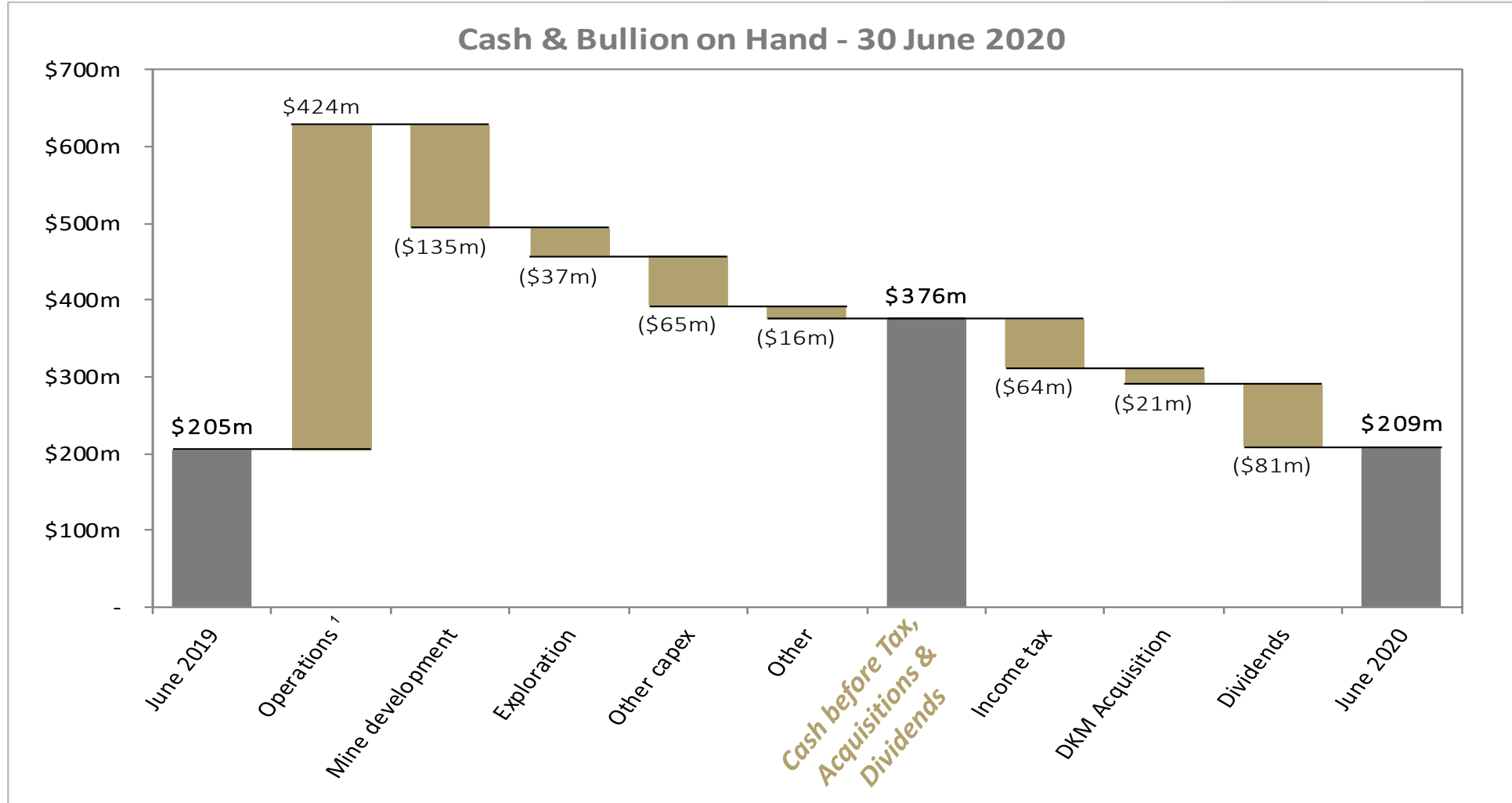


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2. Annualised dividend yield of 16cps at a closing share price of \$5.55 on 25 August 2020



## CASHFLOW WATERFALL

Strong cashflow from operations of \$424 million supported increased capital investment during FY20 and the payment of \$81 million in dividends during the year



1. Includes bullion on hand valued at \$2,576 per ounce

## FY21 GUIDANCE

Regis is expecting a strong year of growth within the operations as production continues to lift in line with the targeted growth profile heading to 400,000oz pa from internal development options. Production rate is planned to lift above historic annual rate in the second half of the year.

The FY21 key guidance elements are:

- 🌀 Gold Production 355,000 - 380,000 ounces
- 🌀 C1 Cash Costs including royalties A\$1,030 - 1,090 per ounce
- 🌀 All in Sustaining Cost A\$1,230 - 1,300 per ounce
- 🌀 Growth Capital A\$50 – 60 million<sup>1</sup>
- 🌀 Exploration A\$35 million
- 🌀 McPhillamys A\$15 million<sup>2</sup>

1. Growth Capital includes open pit and underground pre-production mining costs, site infrastructure and camp expansion costs

2. McPhillamys spend for FY21 is a minimum of A\$15m. Regis will assess additional early long lead items and in the case of early approval of the Company's Development Application by the Independent Planning Commission, the expenditure on McPhillamys for FY21 could be approximately A\$60m.



## REVIEW OF FY2020

### THE CURRENT BUSINESS' PERFORMANCE:

- 🌀 **Net profit after tax of \$200 million** (FY19: \$163 million) with a NPAT margin of 26% and ROE of 24%
- 🌀 **Dividends** for FY2020 of **16 cents per share** fully franked for a 4.1% grossed<sup>1</sup> up yield
- 🌀 **EBITDA of \$394 million** with strong **EBITDA margin of 52%**
- 🌀 Cash and bullion of **\$209.3 million<sup>2</sup>** as at 30 June 2020
- 🌀 **Hedging reduced** to ~399koz at end FY20 from approximately 452koz at end FY19. Deliveries into hedges increased to approximately 20,000 ounces per quarter

### PROGRESSING FUTURE GROWTH :

- 🌀 **McPhillamys Development Application** submitted and Responses to Submissions nearing completion
- 🌀 **Tripled exploration tenure** around Duketon Operations and **increased Exploration budget by 32% to \$35million**
- 🌀 Moving to investment decision for **Garden Well Underground Project**

1. Grossed up for 100% franking. Annualised dividend yield of 16cps at a closing share price of \$5.55 on 25 August 2020

2. Includes bullion on hand valued at \$2,576 per ounce.



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**Additional Financial Information**



## FY2020 – Profit & Loss

	30 June 2020 \$'000	30 June 2019 \$'000
<b>Revenue</b>	<b>756,657</b>	654,807
Cost of goods sold	<b>(452,011)</b>	(401,970)
Gross profit	<b>304,646</b>	252,837
Other income	<b>(150)</b>	4,379
Investor and corporate costs	<b>(3,408)</b>	(2,521)
Personnel costs	<b>(10,062)</b>	(9,360)
Share-based payment expense	<b>(144)</b>	(1,082)
Occupancy costs	<b>(245)</b>	(1,005)
Other corporate administrative expenses	<b>(1,052)</b>	(659)
Exploration and evaluation written off	<b>(1,686)</b>	(6,729)
Other	<b>(1,215)</b>	(940)
Finance costs	<b>(2,024)</b>	(1,447)
<b>Profit before income tax</b>	<b>284,660</b>	233,473
<b>Income tax expense</b>	<b>(85,143)</b>	(70,323)
<b>Net profit</b>	<b>199,517</b>	163,150
Earnings Per Share (cents per share)	39.26	32.18

## FY2020 – Cash Flow Statement

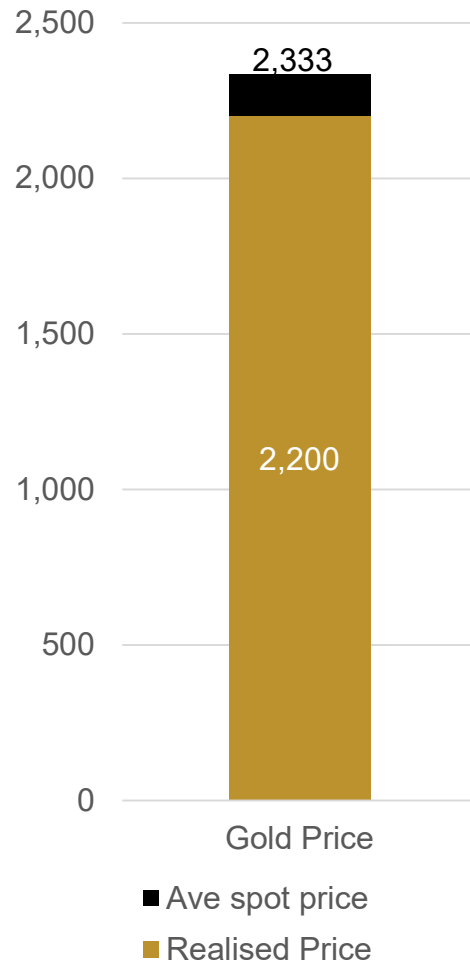
	30 June 2020 \$'000	30 June 2019 \$'000
<b>Cash flows from operating activities</b>		
Receipts from gold sales	755,791	652,450
Payments to suppliers and employees	(348,923)	(326,680)
Income tax paid	(63,792)	(53,971)
Other receipts/(payments)	(63)	3,686
<b>Net cash from operating activities</b>	<b>343,013</b>	<b>275,485</b>
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment (net)	(51,114)	(56,395)
Payments for exploration and evaluation	(37,118)	(34,840)
Payments for acquisition of exploration assets	(21,281)	-
Payments for mine properties under development	(57,307)	(35,632)
Payments for mine properties	(77,524)	(60,500)
Other receipts/(payments)	-	77
<b>Net cash used in investing activities</b>	<b>(244,344)</b>	<b>(187,290)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	279	1,697
Payment of transaction costs	(14)	(65)
Payment of lease liabilities	(13,894)	(1,052)
Dividends paid	(81,309)	(81,196)
<b>Net cash used in financing activities</b>	<b>(94,938)</b>	<b>(80,616)</b>
Net increase/(decrease) in cash and cash equivalents	3,731	7,579
Cash and cash equivalents at 1 July	188,697	181,118
<b>Cash and cash equivalents at 30 June</b>	<b>192,428</b>	<b>188,697</b>



# FY2020 – Balance Sheet

	30 June 2020 \$'000	30 June 2019 \$'000
<b>Current assets</b>		
Cash and cash equivalents	192,428	188,697
Inventories	74,430	56,077
Other current assets	10,847	10,141
<b>Total current assets</b>	<b>277,705</b>	<b>254,915</b>
<b>Non-current assets</b>		
Inventories	63,503	55,898
Property, plant and equipment	261,676	242,988
Exploration and evaluation expenditure	230,260	185,748
Mine properties under development	2,188	44,163
Mine properties	275,939	167,713
Right-of-use assets	38,034	-
Other	2,572	2,572
<b>Total non-current assets</b>	<b>874,172</b>	<b>699,082</b>
<b>Total assets</b>	<b>1,151,877</b>	<b>953,997</b>
<b>Current liabilities</b>		
Trade and other payables	74,181	67,613
Income tax payable	7,471	12,224
Lease Liabilities	15,856	793
Other	3,994	3,479
<b>Total current liabilities</b>	<b>101,502</b>	<b>84,109</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	117,408	91,305
Provisions & Lease liabilities	97,886	62,119
<b>Total non-current liabilities</b>	<b>215,294</b>	<b>153,424</b>
<b>Total liabilities</b>	<b>316,796</b>	<b>237,533</b>
<b>Net Assets</b>	<b>835,081</b>	<b>716,464</b>
<b>Total Equity</b>	<b>835,081</b>	<b>716,464</b>

## “SPOT DEFERRED” – FLEXIBLE GOLD HEDGE BOOK (30 June 2020)



- 🌀 Regis’ hedge position reduced to ~399koz at an average of A\$1,614/oz.
- 🌀 Regis is currently actively managing the process of selling into the lowest price hedges and reduced its hedges by approximately 52,000 ounces in FY20.
- 🌀 Regis has recently increased the rate at which it is delivering into its most out of the money hedges to 20,000 ounces per quarter

**Table 1: Hedging Volumes & Price Ranges**

Hedging Price Range	Quantity (oz’s)
A\$1,400 - \$1,500	157,000
A\$1,500 - \$1,600	15,000
A\$1,600 - \$1,700	36,000
A\$1,700 - \$1,800	131,000
A\$1,800 - \$1,900	60,000

**Table 2: Current Hedging Volume Limits**

Period	Volume (oz’s)
Today – Dec 2020	600,000
Jan 2021 – Dec 2021	400,000
Jan 2022 – Dec 2022	200,000
Jan 2023 – June 2023	100,000
July 2023	Nil

## FY2020 PHYSICALS

Physicals	FY 2020			FY2019	Variance
	DNO	DSO	TOTAL	TOTAL	
Ore mined (Mbcm)	1.36	2.80	<b>4.16</b>	4.28	-3%
Waste mined (Mbcm)	6.81	19.56	<b>26.37</b>	28.12	-6%
Stripping ratio (w:o)	5.0	7.0	<b>6.3</b>	6.6	-5%
Ore mined (Mtonnes)	2.75	7.23	<b>9.98</b>	10.14	-2%
Ore milled (Mtonnes)	3.00	6.37	<b>9.37</b>	9.43	-1%
Head grade (g/t)	1.04	1.35	<b>1.25</b>	1.27	-2%
Recovery (%)	92.3%	94.0%	<b>93.5%</b>	94.0%	-1%
Gold production (ounces)	92,184	259,858	<b>352,042</b>	363,418	-3%





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**Further information:**

**Jim Beyer | Managing Director & CEO**

**+ 61 8 9442 2200**