



**Petra**Diamonds

# Q1 FY 2024 Operating Update

09.30 BST 24 October 2023



# Your presenters



## Q1 FY 2024 Operating Update

09.30 BST, Tuesday 24 October 2023

Please see press release here:  
[www.petradiamonds.com/investors/news/](https://www.petradiamonds.com/investors/news/)



Richard Duffy, CEO

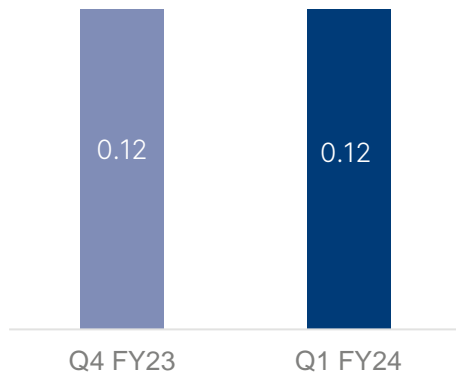


Jacques Breytenbach, CFO

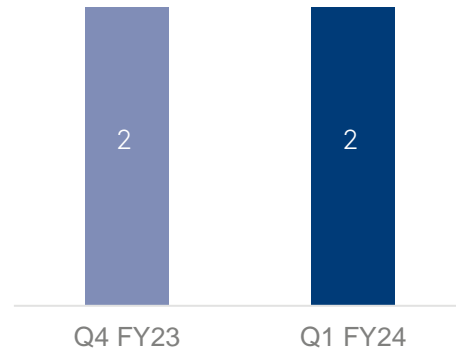
# Highlights vs Q4 FY 2023 – safety and production



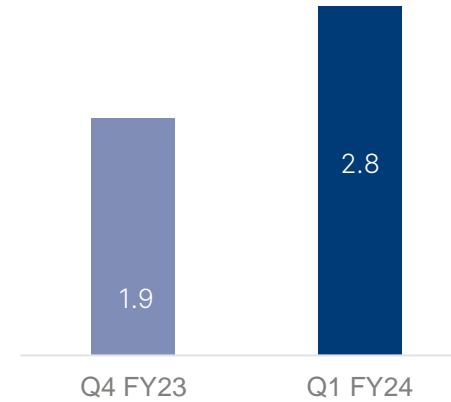
**Safety (LTIFR)**



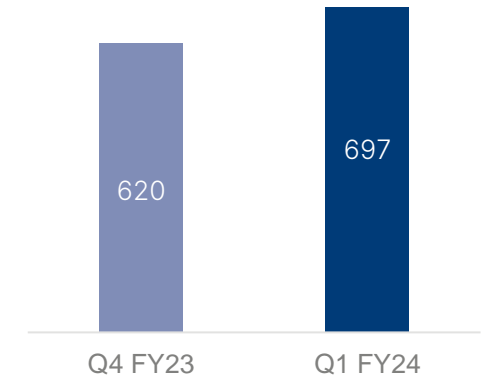
**Safety (LTIs)**



**Ore processed (Mt)**

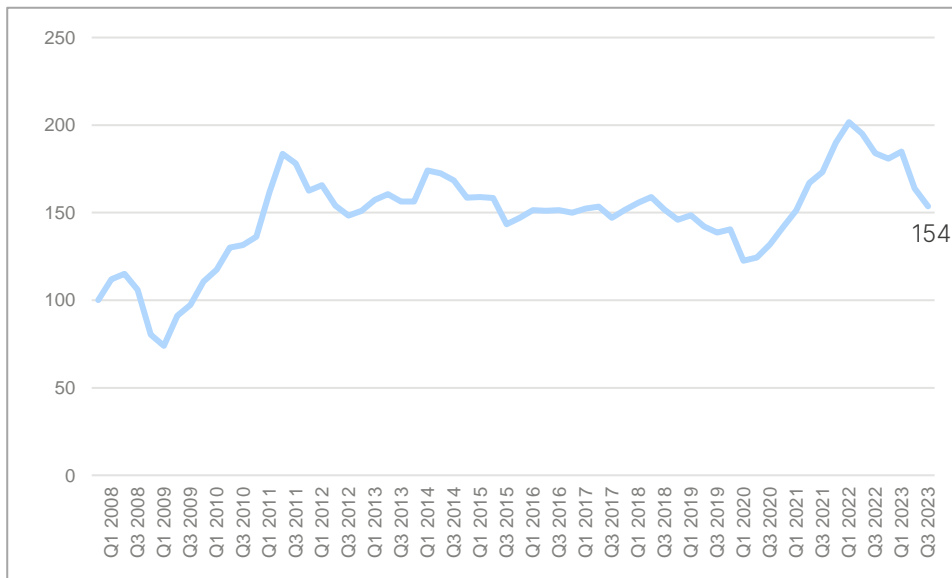


**Diamonds produced (Kcts)**



# Actions being taken to stabilise markets and improve pricing

Diamond price index (Quarterly)<sup>1</sup>



## Addressing current volatility in market

High levels of polished inventory resulting from subdued demand during time of global economic and geopolitical uncertainty

Actions being taken by major producers to curb supply

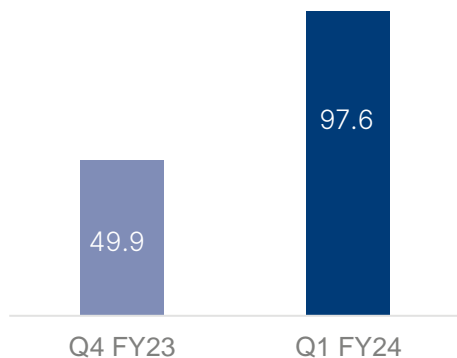
Voluntary 2-month Indian diamond import moratorium expected to end 15 December 2023 to rebalance market by reducing inventory levels

Anticipation of market stabilisation and improved pricing, notwithstanding pricing volatility in near-term

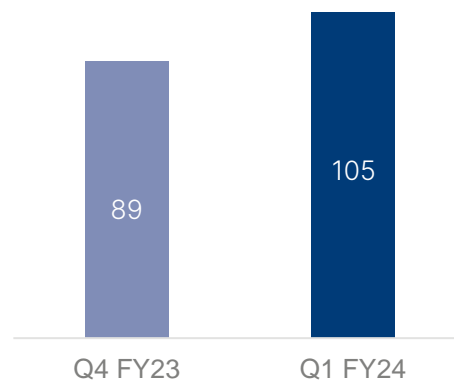
# Highlights vs Q4 FY 2023 - financial



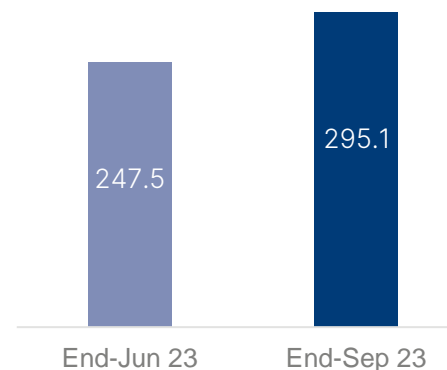
**Revenue<sup>1</sup> (US\$m)**



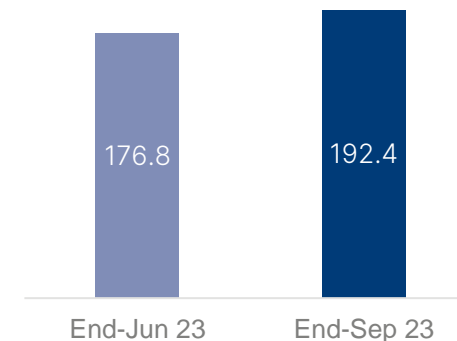
**Average carat price (US\$/ct)**



**Gross debt (US\$m)**



**Net debt (US\$m)**



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

# Mitigating actions in response to current market environment



Capital expenditure breakdown

US\$m	Q1 FY 2024			FY 2023
	Extension	Stay-in-Business	Total	Total
Cullinan Mine	13.1	2.4	15.5	52.8
Finsch	7.1	2.7	9.8	43.2
Williamson	—	4.7	4.7	19.3
<b>Total</b>	<b>20.2</b>	<b>9.8</b>	<b>30.0</b>	<b>115.3</b>

Prudent steps taken to enhance business resilience:

Advancement of Tender 2 FY 24 ahead of commencement of Indian Moratorium

Commenced engagement with first lien lenders to upsize existing ZAR1 billion RCF to provide addition working capital headroom

Intention to maintain flexibility at Tender 3

Cost and operational optimization initiatives

Increased hedging (up to 50% of annual revenues) to lock in ZAR weakness

Capital optimization including evaluation of capital reduction and options for progressive deferral of certain capital spend programmes



# Outlook



- Continued focus on identifying and mitigating safety risks
- Ongoing stabilisation of operations at Cullinan Mine and Finsch, and Williamson performing well
- Actions taken by major producers and the 2-month Indian moratorium ending 15 December, expected to reduce inventory levels and stabilise the market and rough diamond pricing
- Internal levers: cost, operational and capex optimisation; maintaining tender flexibility; increasing levels of ZAR hedging and possibly upsizing RCF to create additional working capital headroom.
- Capex optimisation, through potential deferral and/or reductions, prioritised to minimise disruption to value-led growth strategy
- Continue to expect medium to longer-term pricing support from the prevailing structural supply deficit



Q&A







# Thank you

Please email  
[investorrelations@petradiamonds.com](mailto:investorrelations@petradiamonds.com) with  
any further questions

