BELL POTTER

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Analyst
David Coates 612 8224 2887

Authorisation
Stuart Howe 613 9235 1856

Nickel Industries Ltd (NIC)

Threading the needle

Recommendation
Buy (unchanged)
Price
$0.72
Target (12 months)
$1.35 (previously $1.40)

Sector

Materials

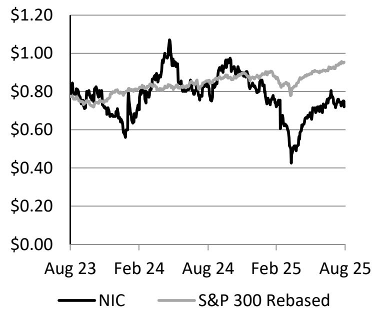
Expected Return	
Capital growth	88%
Dividend yield	0%
Total expected return	88%

Company Data & Ratios	
Enterprise value	$4,478m
Market cap	$3,126m
Issued capital	4,341m
Free float	55%
Avg. daily val. (52wk)	$6.9m
12 month price range	$0.42-$1.00

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	0.79	0.68	0.83
Absolute (%)	-8.3	6.7	-13.3
Rel market (%)	-11.9	-0.9	-25.4

Absolute Price



SOURCE: IRESS

1HCY25 financial result

NIC reported a 1HCY25 financial result which was slightly ahead of our forecasts, largely on a revenue beat, reflecting higher realised pricing compared with our payability forecasts. Key metrics included consolidated revenue of US$830m (vs BPe US$812m, down 2% yoy), consolidated EBITDA of US$159m (vs BPe US$150m, up 16% yoy) and consolidated reported NPAT of US$26m (vs BPe NPAT US$22m). NIC did not declare an interim dividend (vs BPe A1.0cps). The highlight of the result, in our view, is the maintenance of positive operating cash flows and fair EBITDA margins through a low in the commodity price cycle.

Balance sheet in focus

The key focus, in our view, will be on the balance sheet, upcoming debt amortisation payments and the final instalments for the Excelsior Nickel Cobalt (ENC) project. Payments of US$126.5m each are planned for January and April 2026 to lift NIC's ownership from 44% to 55%. We also estimate that of the US$228m in current liabilities associated with the NIC's debt facilities, ~US$140m in interest and amortisation payments are due in 2HCY25. NIC has several options to manage these obligations, including securing additional debt, refinancing existing debt and deferral of the final ENC acquisition instalments. On balance, NIC has sufficient optionality to manage its cash flow and deliver significant earnings growth from 2HCY25.

Investment thesis – Buy, TP$1.35/sh (from Buy,TP$1.40/sh)

EPS changes in this report are: CY25: -+7%; CY26: 0%; CY27: 0%. Our NPV-based valuation is lowered 4% to $1.35/sh. NIC is one of the world's largest listed nickel producers and offers exposure across a range of nickel products and markets. It continues to make money through low nickel prices, benefitting from its upstream and downstream operations, diversified risk and margin exposure across an integrated value chain. It offers attractive production and margin growth and trades on undemanding forward valuation multiples. We retain our Buy recommendation.

Earnings Forecast

Year ending 31 December	2024a	2025e	2026e	2027e
Sales (US$m)	1,744	1,772	3,416	3,838
EBITDA (US$m)	297	411	1,070	1,192
Attributable NPAT (reported) (US$m)	(169)	89	494	570
Attributable NPAT (reported) (A$m)	(256)	142	760	827
EPS (adjusted) (A¢ps)	2.4	3.3	17.7	19.3
EPS growth (%)	-211%	nm	437%	9%
PER (x)	nm	21.8	4.1	3.7
FCF Yield (%)	0%	12%	29%	49%
EV/EBITDA (x)	9.8	7.1	2.7	2.5
Dividend (A¢ps)	4.0	-	8.0	10.0
Yield (%)	5.6%	0.0%	11.1%	13.9%
Franking (%)	0%	0%	0%	0%
ROE (%)	-8%	6%	32%	34%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Threading the needle

1HCY25 financial result

NIC reported a 1HCY25 financial result which was slightly ahead of our forecasts, largely on a revenue beat, reflecting higher realised pricing compared with our payability forecasts.

Key metrics included consolidated revenue of US$830m (vs BPe US$812m, down 2% yoy), consolidated EBITDA of US$159m (vs BPe US$150m, up 16% yoy) and consolidated reported NPAT of US$26m (vs BPe NPAT US$22m). Attributable NPAT was US$11.3m (vs BPe US$8.9m). NIC did not declare an interim dividend (vs BPe A1.0cps) as it is retaining cash for two final acquisition payments of US$126m each in 1Q and 2QCY26.At 30 June NIC held cash and equivalents of US$145m and gross debt of US$1,028m, for net debt of US$883m (from net debt of US$832m at end CY24).

The highlight of the result, in our view, is the maintenance of positive operating cash flows and fair EBITDA margins through a low in the commodity price cycle. This again reflected NIC's diversified product mix across the nickel production value chain: from ore mining production to downstream nickel products.

Key metrics from the 1HCY25 financial result are summarised below:

Table 1 - NIC financial result summary

Half-year financials (Consolidated basis)	Jun-24 HY (a)	Dec-24 HY (a)	Dec-24 FY (a)	Jun-25 HY (a)	Jun-25 HY (BPe)	Variance vs BPe	Variance vs pcp
Revenue (US$m)	843.3	901.2	1,744.5	**829.7**	**812.2**	2%	-2%
EBITDA (US$m)	131.3	165.5	296.8	**152.7**	**150.0**	2%	16%
NPAT reported (US$m)	14.0	-203.8	-189.8	**25.5**	**22.1**	15%	82%
NPAT attributable (US$m)	5.1	-173.7	-168.6	**11.3**	**8.9**	27%	119%
EPS attributable (Ac/sh)	0.2	-6.1	-6.0	**0.4**	**0.3**	27%	125%
Dividend (Ac/sh)	2.5	1.5	4.0	**0.0**	**1.0**	-100%	-100%
Free cash flow (US$m)	295.8	-303.3	-7.5	**34.3**	**53.3**	-36%	-88%
Cash balance (US$m)	358.1	211.0	211.0	**145.4**	**145.3**	0%	-59%
Debt (US$m)	753.8	1,054.6	1,054.6	**1,039.2**	**1,064.9**	-2%	38%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Balance sheet in focus

The key focus, in our view, will be on the balance sheet and upcoming debt amortisation payments and the final instalments for the Excelsior Nickel Cobalt (ENC) high pressure acid leach (HPAL) project. Payments of US$126.5m each are planned to be made in January and April 2026 to lift NIC's ownership from 44% to 55%. We estimate that of the US$228m in current liabilities associated with the NIC's debt facilities, ~US$140m in interest and amortisation payments fall due in 2HCY25.

NIC has a number of options to manage these obligations, including securing additional debt, the refinancing of existing debt instruments (including the replacement of existing facilities with bullet repayment style bonds or facilities) and the deferral of the final ENC acquisition instalments, which has previously been done.

In the next 12 months we are also expecting the key positive catalysts of expanded production at the Hengjaya Mine (to lift revenues from 2HCY25) and the commencement of class 1 nickel production and sales in 1QCY26 to follow the commissioning of the ENC in late CY25.

On balance, we hold the view that NIC has sufficient optionality to manage its cash flow and debt service obligations. Key catalysts include the drawdown of additional debt, the receipt of final permits for the expansion of ore mining at the Hengjaya Mine and the commissioning of the ENC HPAL plant.

Changes to our forecasts

Beyond updating for the 1HCY25 financial result, we make the following changes to our modelled assumptions:

- Update our debt repayment and amortisation schedule, which includes increased amortisation payments in 1HCY26; and
- Update for NIC's latest net cash position and capital structure and roll our model forward.

The net impacts of these changes are summarised in the table below:

Table 2 - Changes to our CY forecasts

	Previous			New			Change		
Year end 31 December	**Dec-25**	**Dec-26**	**Dec-27**	**Dec-25**	**Dec-26**	**Dec-27**	**Dec-25**	**Dec-26**	**Dec-27**
Prices & currency									
Nickel price (US$/t)	17,166	20,282	20,944	**17,166**	**20,282**	**20,944**	0%	0%	0%
US$/A$	0.63	0.65	0.69	**0.63**	**0.65**	**0.69**	0%	0%	0%
Production & costs									
Ore mined (t)	12.563	14.300	15.200	**12.563**	**14.300**	**15.200**	0%	0%	0%
RKEF NPI production (t)	108,920	111,028	112,628	**108,920**	**111,028**	**112,628**	0%	0%	0%
Contained nickel (t)	10,738	11,572	12,105	**10,738**	**11,572**	**12,105**	0%	0%	0%
Contained nickel (t, attributable)	8,235	46,870	51,600	**8,235**	**46,870**	**51,600**	0%	0%	0%
Cash costs (US$/t Ni)	7,874	8,328	8,536	**7,874**	**8,328**	**8,536**	0%	0%	0%
Earnings & valuation									
Revenue (consolidated, US$m)	1,752	3,416	3,838	**1,772**	**3,416**	**3,838**	1%	0%	0%
EBITDA (consolidated, US$m)	399	1,070	1,192	**411**	**1,070**	**1,192**	3%	0%	0%
EBITDA (attributable, US$m)	328	771	820	**328**	**771**	**820**	0%	0%	0%
NPAT (consolidated, US$m)	121	739	882	**127**	**737**	**880**	5%	0%	0%
NPAT (attributable, US$m)	83	496	572	**89**	**494**	**570**	7%	0%	0%
EPS (reported) (Acps)	3.1	17.8	19.3	**3.3**	**17.7**	**19.3**	7%	0%	0%
PER (x)	16.6	4.3	4.1	**21.8**	**4.1**	**3.7**	5.2	(0.2)	(0.4)
EPS growth (%)	nm	478%	9%	**nm**	**437%**	**9%**	nm	-41%	0%
DPS (Acps)	2.0	8.0	10.0	**-**	**8.0**	**10.0**	-100%	0%	0%
Yield	5.3%	13.2%	13.2%	**0.0%**	**11.1%**	**13.9%**	-5%	-2%	1%
NPV (A$/sh)	1.31	1.40	1.52	**1.22**	**1.35**	**1.43**	-6%	-3%	-6%
Price Target (A$/sh)		1.40			**1.35**			-4%	

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

EPS changes in this report are: CY25: -+7%; CY26: 0%; CY27: 0%. Minor upgrades in CY25 result from the slight beat compared with our forecasts in 1HCY25. Higher finance costs and a lower-than-forecast net cash position lower our NPV-based valuation 4%, to $1.35/sh. We retain our Buy recommendation.

Upcoming catalysts

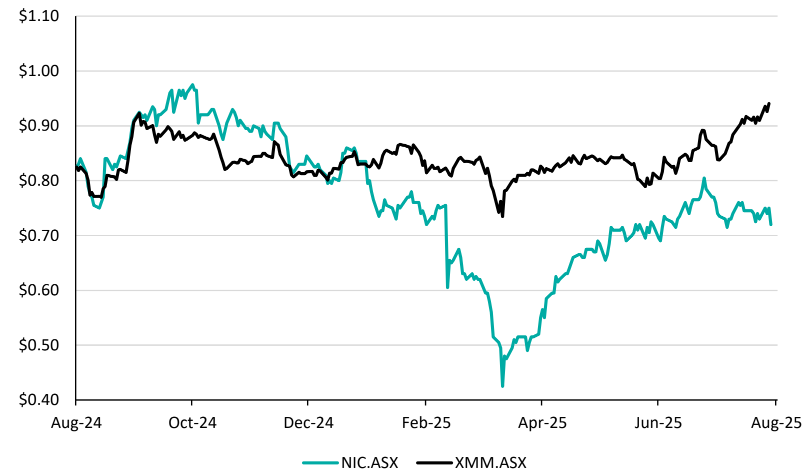
Upcoming catalysts for NIC include:

- Construction updates for the ENC HPAL plant, which is progressing towards commissioning in October 2025;
- Confirmation of receipt of increased ore sales permits to >9Mtpa by September 2025, to match the ongoing ramp-up of the Hengjaya Mine through CY25;
- Update on any refinancing processes underway, with the objective of reducing near-term debt service costs;
- Release of NIC's September 2025 quarter production and cost report, expected in late October 2025;
- Update on qualification of potential sales of nickel cathode from the ENC HPAL project (under construction) to third party customers, diversifying NIC's customer base;
- Payment of the final scheduled investment instalments for the ENC HPAL project of: US$126.5m in each of January and April 2026, to lift NIC's interest from 44% to 55%; and
- Exploration and development updates on the Sampala and Siduarsi Nickel-Cobalt laterite ore projects.

NIC vs the ASX Metals and Mining Index

Relative performance chart below:

Figure 1 - NIC relative share price performance vs ASX Metals and Mining Index (XMM)



SOURCE: IRESS

Nickel Industries Limited (NIC)

Company description: Fully integrated NPI producer

Nickel Industries Limited (‘Nickel Industries or ‘NIC’) was formed in 2007 and listed on the ASX in 2018 as Nickel Mines Ltd. Its operations are focused in Indonesia, where it holds an 80% interest four Rotary Kiln Electric Furnace (RKEF) NPI production lines (the two Hengjaya lines and the two Ranger lines), an 80% interest in the Oracle Nickel Project, comprising four new generation RKEF NPI production lines, a 10% interest in the Huayue Nickel Cobalt (HNC) HPAL project and a 55% interest in the Excelsior Nickel Cobalt (ENC) HPAL project which is under construction. All these projects are within the Indonesia Morowali Industrial Park (IMIP), a fully integrated stainless steel production facility in Central Sulawesi, Indonesia and in partnership with Shanghai Decent Investments (SDI) a subsidiary of Tsingshan Group, the world’s largest stainless steel producer.

NIC also holds an 80% interest in the Angel Nickel Project, comprising four new generation RKEF NPI production lines currently in production within the Indonesia Weda Bay Industrial Park (IWIP) on Halmahera Island in Indonesia.

NIC also holds an 80% interest in Hengjaya Mine (‘HM’), a high-grade, long-life nickel laterite deposit, in close proximity to the IMIP. The HM produces Direct Shipping Ore (DSO), the bulk of which is sold into the IMIP facility.

Investment thesis – Buy, TP$1.35/sh (from Buy,TP$1.40/sh)

EPS changes in this report are: CY25: -+7%; CY26: 0%; CY27: 0%. Our NPV-based valuation is lowered 4% to $1.35/sh. NIC is one of the world’s largest listed nickel producers and offers exposure across a range of nickel products and markets. It continues to make money through low nickel prices, benefitting from its upstream and downstream operations, diversified risk and margin exposure across an integrated value chain. It offers attractive production and margin growth and trades on undemanding forward valuation multiples. We retain our Buy recommendation.

Valuation: $1.35/sh

Our 12-month forward NIC valuation incorporates DCF models of its attributable interests in the Hengjaya laterite nickel ore mine (HM), its 80% interests in the Hengjaya Nickel RKEF lines, the Ranger Nickel RKEF lines, Angel Nickel RKEF lines and Oracle Nickel RKEF lines.

We also include an NPV-based valuation for NIC’s 10% interest in in the HNC HPAL plant and a risk-adjusted NPV-based valuation for the ENC HPAL plant, which is currently under construction and in which NIC will hold a 55% interest.

We also include a notional value for other exploration and development projects, an estimate of corporate overhead costs and NIC’s last reported net cash position. Our valuation is calculated on a fully diluted basis.

Resource sector risks

Key risks to our investment case include (but are not limited to):

- **Funding and capital management risks:** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments. Exploration and development companies with no sales revenues are reliant on access to equity markets and debt financing to fund the advancement and development of their projects.
- **Operating and development risks:** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single mine company. Development of mining assets may be subject to receiving permits, approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Pandemic risks:** Mining companies rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures that could be put in place to combat a pandemic could pose risks to these conditions.
- **Operating and capital cost fluctuations:** The cost and availability of exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour costs as well as access to, and availability of, technical skills, operating equipment and consumables.
- **Commodity price and exchange rate fluctuations:** The future earnings and valuations of exploration, development and producing Resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Resource growth and mine life extensions:** The viability of future operations and the earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives, which is in turn dependent upon exploration success, of which there are no guarantees.
- **Regulatory changes risks:** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies. NIC's assets are located in Sulawesi, Indonesia, which has in the past implemented regulatory changes related to mining project ownership, fiscal terms and mineral export requirements.
- **Geopolitical risks:** Mining companies' assets are subject to geopolitical risks, arising from events in, and outside, the jurisdictions they operate in.
- **Sovereign risks:** Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating. NIC's assets are in Indonesia, a G20 country with one of the largest economies in SE Asia. Its sovereign debt is rated investment grade by the major ratings agencies.
- **Corporate/M&A risks:** Risks associated with M&A activity including differences between the entity's and the market's perception of value associated with completed transactions. NIC is the junior partner co-investing in production assets with a large, privately owned Chinese company. The strength and cohesiveness of this relationship over the long term has the potential to both add and reduce value to the partnership. A mitigating factor in this respect has been the +20% holding in NIC equity.

Nickel Industries Ltd
as at 29 August 2025

Recommendation	Buy
Price	$0.72
Target (12 months)	$1.35

Table 3 - Financial summary

PROFIT AND LOSS

Year ending 31 Dec.	Unit	2023a	2024a	2025e	2026e	2027e
Revenue	US$m	1,880.1	1,744.5	1,772.4	3,416.1	3,837.5
Expense	US$m	(1,476.8)	(1,447.6)	(1,361.2)	(2,345.8)	(2,645.4)
EBITDA	**US$m**	**403.3**	**296.8**	**411.1**	**1,070.4**	**1,192.2**
Depreciation	US$m	(111.7)	(128.0)	(136.6)	(191.5)	(186.5)
EBIT	US$m	291.7	168.8	274.6	878.8	1,005.7
Net interest expense	US$m	(55.6)	(78.5)	(91.3)	(73.0)	(50.2)
Unrealised gains (Impairments)	US$m	-	(236.6)	-	-	-
Other	US$m	(32.8)	(27.2)	(28.3)	(36.8)	(38.8)
PBT	**US$m**	**203.3**	**(173.5)**	**154.9**	**768.9**	**916.7**
Tax expense	US$m	(27.1)	(16.3)	(27.5)	(32.3)	(36.6)
Consolidated profit (loss) for the year	US$m	176.2	(189.8)	127.4	736.7	880.2
Non-Controlling Interest	US$m	54.6	(21.2)	38.6	242.6	309.8
Attributable NPAT (reported)	**US$m**	**121.6**	**(168.6)**	**88.8**	**494.1**	**570.3**
NPAT (attributable, underlying)	US$m	121.6	68.0	88.8	494.1	570.3

CASH FLOW

Year ending 31 Dec.	Unit	2023a	2024a	2025e	2026e	2027e
OPERATING CASHFLOW						
Receipts	US$m	1,763.1	1,805.7	1,852.1	3,169.6	3,774.3
Payments	US$m	(1,485.2)	(1,481.8)	(1,433.8)	(2,148.9)	(2,585.5)
Tax	US$m	(56.4)	(55.3)	(38.7)	(64.4)	(71.0)
Net interest	US$m	11.7	14.2	(91.3)	(73.0)	(50.2)
Other	US$m	(3.5)	(1.5)	-	-	-
Operating cash flow	**US$m**	**229.8**	**281.4**	**288.4**	**883.3**	**1,067.7**
INVESTING CASHFLOW						
Property, plant and equipment	US$m	(19.1)	(54.2)	(57.6)	(308.7)	(30.9)
Mine development	US$m	(179.9)	(3.7)	-	-	-
Exploration & evaluation	US$m	(24.9)	(18.4)	-	-	-
Other	US$m	(929.2)	(212.6)	-	-	-
Investing cash flow	**US$m**	**(1,153.1)**	**(288.9)**	**(57.6)**	**(308.7)**	**(30.9)**
Free Cash Flow	*US$m*	*(923.3)*	*(7.5)*	*230.8*	*574.6*	*1,036.7*
FINANCING CASHFLOW						
Share issues/(buy-backs)	US$m	828.9	-	-	-	-
Debt proceeds	US$m	580.5	454.8	-	-	-
Debt repayments	US$m	(315.5)	(252.7)	(155.0)	(190.0)	(200.0)
Distributions to non-controlling interests	US$m	(38.9)	(31.4)	-	-	-
Dividends	US$m	(85.6)	(142.7)	(40.8)	(223.1)	(296.0)
Other	US$m	91.6	(91.9)	(50.0)	-	-
Financing cash flow	**US$m**	**1,061.2**	**(64.0)**	**(245.8)**	**(413.1)**	**(496.0)**
Change in cash	*US$m*	*137.8*	*(71.5)*	*(15.0)*	*161.6*	*540.8*

BALANCE SHEET

Year ending 31 Dec.	Unit	2023a	2024a	2025e	2026e	2027e
ASSETS						
Cash & short term investments	US$m	778.8	222.5	207.5	369.1	909.8
Accounts receivable	US$m	429.9	395.1	315.4	561.9	625.1
Property, plant & equipment	US$m	1,836.8	1,572.7	1,493.7	1,610.8	1,455.2
Mine development expenditure	US$m	-	-	194.0	194.0	194.0
Exploration & evaluation	US$m	24.9	56.2	56.2	56.2	56.2
Other	US$m	1,001.0	1,649.8	1,649.8	1,649.8	1,649.8
Total assets	**US$m**	**4,071.3**	**3,896.2**	**3,916.5**	**4,441.8**	**4,890.2**
LIABILITIES						
Accounts payable	US$m	192.8	194.8	272.2	469.2	529.1
Income tax payable	US$m	26.1	21.6	27.5	32.3	36.6
Borrowings	US$m	845.0	1,054.6	899.6	709.6	509.6
Other	US$m	100.8	77.1	82.4	82.4	82.4
Total liabilities	US$m	**1,164.7**	**1,348.0**	**1,281.7**	**1,293.3**	**1,157.6**
SHAREHOLDER'S EQUITY						
Share capital	US$m	2,032.9	2,035.2	2,035.2	2,035.2	2,035.2
Reserves	US$m	19.1	19.1	19.1	19.1	19.1
Retained earnings	US$m	373.1	61.7	109.7	380.8	655.1
Total equity to NIC holders	**US$m**	**2,425.1**	**2,116.0**	**2,164.0**	**2,435.0**	**2,709.3**
Non-controlling interest	US$m	481.6	432.2	470.8	713.4	1,023.3
Total equity	**US$m**	**2,906.6**	**2,548.2**	**2,634.8**	**3,148.5**	**3,732.6**
Weighted average shares	m	3,407.1	4,286.9	4,289.8	4,289.8	4,289.8

CAPITAL STRUCTURE

Shares on issue	m	4,340.9
Other	m	9.2
Total shares on issue	**m**	**4,350.2**
Share price	**A$/sh**	**0.720**
Market capitalisation	A$m	3,132.1
Net cash	A$m	-1,356.0
Enterprise value (undiluted)	**A$m**	**4,488.1**
Options outstanding (m)	m	0.0
Options (in the money)	m	0.0
Issued shares (diluted for options)	m	4,350.2
Market capitalisation (diluted)	A$m	3,132.1
Net cash + options	A$m	-1,356.0
Enterprise value (diluted)	**A$m**	**4,488.1**

MAJOR SHAREHOLDERS

Shareholder	%	m
Shanghai Decent (SDI)	21.7%	942.5
PT United Tractors (conditional placement)	19.7%	857.0
L1 Capital	6.8%	294.5
BlackRock Investment Management	5.0%	217.1

FINANCIAL RATIOS

Year ending 31 Dec.	Unit	2023a	2024a	2025e	2026e	2027e
VALUATION						
Attributable NPAT	US$m	121.6	(168.6)	88.8	494.1	570.3
Attributable NPAT	A$m	183.0	(255.6)	141.5	760.1	826.5
Reported EPS	USc/sh	3.6	1.6	2.1	11.5	13.3
Reported EPS	Ac/sh	5.4	(6.0)	3.3	17.7	19.3
Adjusted EPS	Ac/sh	5.4	2.4	3.3	17.7	19.3
EPS growth	%	-37%	-211%	nm	437%	9%
PER [1]	x	13.4x	nm	21.8x	4.1x	3.7x
DPS	Ac/sh	4.5	4.0	-	8.0	10.0
Franking	%	0%	0%	0%	0%	0%
Yield	%	6.3%	5.6%	0.0%	11.1%	13.9%
FCF/share	Ac/sh	(40.8)	(0.3)	8.6	20.6	35.0
FCF yield	%	-57%	0%	12%	29%	49%
P/FCFPS	x	-1.8x	-271.0x	8.4x	3.5x	2.1x
EV/EBITDA	x	7.2x	9.8x	7.1x	2.7x	2.5x
EBITDA margin	%	21%	17%	23%	31%	31%
EBIT margin	%	16%	10%	15%	26%	26%
Return on assets	%	5%	-5%	3%	18%	19%
Return on equity	%	9%	-8%	6%	32%	34%
LIQUIDITY & LEVERAGE						
Net debt (cash)	$m	66	832	828	477	(264)
ND / E	%	3%	39%	38%	20%	-10%
ND / (ND + E)	%	3%	28%	28%	16%	-11%
Attr. EBITDA / Interest	x	6.2x	3.5x	3.6x	10.6x	16.3x

ATTRIBUTABLE DATA - NICKEL MINES LTD

Year ending 31 Dec.	Unit	2023a	2024a	2025e	2026e	2027e
Revenues	US$m	1,661.0	1,580.1	1,716.4	2,755.0	2,972.3
EBITDA	US$m	342.5	275.5	328.4	771.0	819.5
NPAT	US$m	121.6	(168.6)	88.8	494.1	570.3
Net distributable cash flow	US$m	124.1	(64.4)	(13.5)	145.4	486.7
EV/EBITDA	x	8.7	10.7	8.6	3.8	3.8
PER	x	13.4	nm	21.8	4.1	3.7
P/FCF	x	nm	nm	nm	14.0	4.4

ORE RESERVE AND MINERAL RESOURCE

Hengjaya Nickel Mine (HM)	Mdmt	% Ni	t Ni
Mineral Resources			
Measured	20.000	1.30%	260,000
Indicated	109.000	1.30%	1,417,000
Inferred	56.000	1.30%	728,000
Total	**185.000**	**1.30%**	**2,405,000**

ASSUMPTIONS - Prices

Year ending 31 Dec. (avg)	Unit	2023a	2024a	2025e	2026e	2027e
Nickel	US$/lb	$9.75	$7.40	$7.79	$9.20	$9.50
Nickel	US$/t	$21,494	$16,321	$17,166	$20,282	$20,944
Currency						
AUD:USD		0.66	0.66	0.63	0.65	0.69

ASSUMPTIONS - Production & costs

Year ending 31 Dec.	Unit	2023a	2024a	2025e	2026e	2027e
Hengjaya Mine						
Ore mined	Mwmt	5.756	9.377	12.563	14.300	15.200
Ore grade	% Ni	1.6%	1.7%	1.8%	1.8%	1.8%
Nickel in ore	t Ni	52,238	99,060	114,329	129,600	129,600
Nickel in ore (attributable)	t Ni	41,790	79,248	91,463	103,680	103,680
RKEF + HPAL ops						
NPI production	t	970,209	1,046,625	1,060,000	1,060,000	1,064,000
NPI nickel (attributable)	t Ni	104,240	110,151	108,920	111,028	112,628
HPAL nickel (attributable)	t Ni	3,233	8,341	8,235	46,870	51,600
Costs						
RKEF costs	US$/t Ni	$11,503	$10,248	$10,738	$11,572	$12,105
HPAL costs	US$/t Ni	$10,424	$9,025	$7,874	$8,328	$8,536

VALUATION

Ordinary shares (m)						**4,350.2**
Options in the money (m)						-
Total shares diluted (m)						**4,350.2**
Valuation	**Current**		**+12 months**		**+24 months**	
Sum-of-the-parts	**A$m**	**A$/sh**	**A$m**	**A$/sh**	**A$m**	**A$/sh**
IMIP RKEF (NPV12)	592.5	0.14	640.8	0.15	642.0	0.15
ANI RKEF (NPV12)	1,214.5	0.28	1,246.4	0.29	1,226.9	0.28
ONI RKEF (NPV12)	1,218.7	0.28	1,252.3	0.29	1,214.9	0.28
Hengjaya Mine (NPV12)	706.3	0.16	718.9	0.17	730.5	0.17
HNC HPAL (NPV12)	750.0	0.17	759.9	0.17	751.7	0.17
ENC HPAL (NPV12)	2,777.8	0.64	2,777.8	0.64	2,777.8	0.64
Other exploration	410.0	0.09	410.0	0.09	410.0	0.09
Corporate overheads	(989.9)	(0.23)	(1,084.0)	(0.25)	(1,181.5)	(0.27)
Subtotal (EV)	6,680.1	1.54	6,722.2	1.55	6,572.4	1.51
Net cash (debt)	(1,356.0)	(0.31)	(832.1)	(0.19)	(340.5)	(0.08)
Total (undiluted)	**5,324.1**	**1.22**	**5,890.1**	**1.35**	**6,231.9**	**1.43**
Dilutive effect of options		-		-		-
Add cash from options	-	-	-	-	-	-
Total (diluted)	**5,324.1**	**1.22**	**5,890.1**	**1.35**	**6,231.9**	**1.43**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Rob Crookston	Head of Strategy	612 8224 2813	rcrookston
Paul Basha	Strategy	612 8224 2862	pbasha
Kion Sapountzis	Strategy	613 9235 1824	ksapountzis
Analysts			
John Hester	Healthcare	612 8224 2871	jhester
Martyn Jacobs	Healthcare	613 9235 1683	mjacobs
Thomas Wakim	Healthcare	612 8224 2815	twakim
Michael Ardrey	Industrials	613 9256 8782	mardrey
Leo Armati	Industrials	612 8224 2846	larmati
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Joseph House	Industrials	613 9325 1624	jhouse
Baxter Kirk	Industrials	613 9235 1625	bkirk
Daniel Laing	Industrials	612 8224 2886	dlaing
Hayden Nicholson	Industrials	613 9235 1757	hnicholson
Chami Ratnapala	Industrials	612 8224 2845	cratnapala
Jonathan Snape	Industrials	613 9235 1601	jsnape
Ritesh Varma	Industrials	613 9235 1658	rvarma
Connor Eldridge	Real Estate	612 8224 2893	celdridge
Andy MacFarlane	Real Estate	612 8224 2843	amacfarlane
Regan Burrows	Resources	618 9236 7677	rburrows
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9325 1856	showe
Todd Lewis	Resources	618 9326 7672	tlewis
James Williamson	Resources	613 9235 1692	jwilliamson
Associates			
Brenton Anderson	Associate Analyst	613 9235 1807	banderson
Andrew Ho	Associate Analyst	613 9235 1953	aho
Evelyn Murdoch	Associate Analyst	612 8224 2849	emurdoch

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Bell Potter Securities Limited
ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited
Room 1601, 16/F
Prosperity Tower, 39 Queens Road Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC
Floor 39
444 Madison Avenue, New York NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited
16 Berkeley Street London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929