

Anglo Pacific Group PLC

13:10 21 Jan 2019

Anglo Pacific has US\$90mIn to spend after strong end to 2018

Royalty specialist Anglo-Pacific Group PLC (LON:APF) shares rose on Monday after the firm revealed it has a war chest of US\$90mIn to invest in new opportunities after a strong end to 2018.

Income from its portfolio of mining interests jumped 15% to a record £48mIn-50mIn in 2018, said the group.

WATCH: Anglo Pacific Group sees record year of portfolio income in 2018 There were sharply higher contributions from Australian coal producer Kestrel and vanadium miner Maracás Menchen, which increased its royalty by 180% as the price of the steel additive soared.

Kestrel's operator has also indicated the possibility of a 'material uplift' in production in 2019, which would be comfortably in advance of 10% above the current broker consensus of 5.15mt.

Julian Treger, Anglo's chief executive, said 2018 was a record for income from the portfolio and was upbeat for the year ahead.

"We end the year in a very positive position, with the expectation of returning to a net cash position at the end of January 2019 and up to \$90m of liquidity available in order to finance acquisitions.

"With the cost of capital in the mining sector increasing over the past six months, we are now seeing more investment opportunities to deploy capital and add to the £38m of acquisitions we made in 2018."

Positive implications for dividends

Anglo forecast an unchanged dividend of 7p for 2018 but should the suggested significant increase in Kestrel volumes happen. this would boost revenues substantially with positive implications for dividends, it said.

In a note to clients, analysts at Peel Hunt noted: "Management comments that in 2019 it is expecting Kestrel volumes of at least 10% ahead of the current analyst consensus of 5.2Mt, implying volumes of over 5.7Mt for 2019.

"Within our 2019 estimates is an estimate of 5.6Mt. This suggests there may be further upside to our numbers, let alone consensus estimates as the new owners look to push the mine and coal plant harder."

Pell Hunt reiterated a 'buy' rating and 205p price target on Anglo Pacific shares, which in afternoon trading were 5.2% higher at 152.50p.

-- Adds analyst comment, share price --

Price: 185

Market Cap: £335.72 m

1 Year Share Price Graph



Share Information

Code: APF

Listing: LSE

52 week	High	Low
	229	135

Sector: General mining & base metals

Website: www.anglopacifigroup.com

Company Synopsis:

A DIVERSE PORTFOLIO OF ASSETS IN LOW-RISK JURISDICTIONS

Anglo Pacific is the only company listed on the London Stock Exchange focused on royalties connected with the mining of natural resources. It is an objective of the Company to pay a substantial portion of its royalty revenues to shareholders as dividends.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Anglo Pacific Group PLC named herein, including the promotion by the Company of Anglo Pacific Group PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).