

# Anglo Pacific Group PLC

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## 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:** 187

**Market Cap:** £339.35 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](http://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.*

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