

# Anglo Pacific Group PLC

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## Anglo Pacific in confident mood after another record quarter

Anglo Pacific Group PLC (LON:APF) (TSX:APY) the mining royalty company, saw its shares rise on Thursday as it revealed it has continued to see meaningful revenue growth in 2019.

Royalty income rose 2% quarter-on-quarter (QoQ) to £14.3mln in the first quarter of 2019 and was more than double the £6.7mln in royalty income recorded in the same quarter of 2018. The improvement was driven by a 12% QoQ increase in the contribution from the Kestrel mine.

**READ:** Anglo Pacific's income climbs again thanks to vanadium and coking coal

"Income was once again driven by Kestrel, where strong sales volumes during the quarter resulted in a 15% increase in revenue. The volumes achieved during the first quarter indicate that the run rate being targeted by the new owners could be achieved," said Julian Treger, the chief executive officer (CEO) of the company.

The group's royalty related revenue, which includes royalty income, dividends from the Labrador Iron Ore Royalty Corp (LIORC) and interest from the McClean Lake & Jogjakarta financing arrangements, rose to £16.5mln from £15.4mln in the previous quarter and £7.3mln in the same quarter of 2018.

Add in a few more bits & bobs, and Anglo Pacific's total portfolio contribution rose 7% QoQ to £17.5mln - a new quarterly record - from £16.4mln and 116% from £8.1mln in the first quarter of last year.

Meaningful revenue growth seen in 2019

"We continue to see meaningful revenue growth for the group in 2019, even when factoring in the expected impact of the planned longwall change-outs at Kestrel and Narrabri during 2019," the company's CEO said.

"During the quarter, coking coal and iron ore pricing remained resilient, which resulted in Kestrel and LIORC being the two largest revenue contributors for the group, whilst we saw thermal coal and vanadium show declines," Treger added.

"Despite a background of economic uncertainty, our portfolio continues to deliver significant growth. With an encouraging start to the year from Kestrel, especially given its ambitions, we remain confident of delivering organic growth during 2019 whilst seeking to make additional quality investments," Treger said, adding that the company has "a significant war chest".

In a note to clients, analysts at 'house' broker Peel Hunt said: "Looking across the separate parts of the portfolio the Kestrel royalty stands out as generating ~£1m more than we were expecting - a sign that the improved production

**Price:** 184

**Market Cap:** £333.91 m

### 1 Year Share Price Graph



### Share Information

**Code:** APF

**Listing:** LSE

52 week	High	Low
	229	131

**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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volumes promised by the new owners are coming through (helped obviously by the ongoing resilience in coking coal prices)."

Peel Hunt reiterated a 213p price target on Anglo Pacific shares, which in afternoon trading were up 1.5% at 210p.

-- Adds analyst comment, share price --

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