

Ramelius Resources (RMS)

Rating: Buy | Risk: High | Price Target: \$3.19

29 July 2025

Q4'FY25 Quarterly Report – More Cash than a Small Country

Key Information

Current Price (\$ps)	2.66
12m Target Price (\$ps)	3.19
52 Week Range (\$ps)	1.82 - 2.95
Target Price Upside (%)	20.1%
TSR (%)	23.1%
Reporting Currency	AUD
Market Cap (\$m)	3,068
Sector	Materials
Avg Daily Volume (m)	9.8
ASX 200 Weight (%)	0.12%

Fundamentals

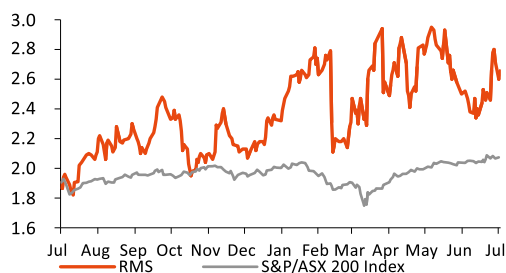
YE 30 Jun (AUD)	FY24A	FY25E	FY26E	FY27E
Sales (\$m)	883	1,186	917	755
NPAT (\$m)	217	419	337	275
EPS (cps)	20.3	36.7	29.5	24.1
EPS Growth (%)	206.4%	80.7%	(19.5%)	(18.4%)
DPS (cps) (AUD)	5.0	8.0	9.0	7.0
Franking (%)	100%	100%	100%	100%

Ratios

YE 30 Jun	FY24A	FY25E	FY26E	FY27E
P/E (x)	9.5	7.2	9.0	11.0
EV/EBITDA (x)	6.7	4.1	5.6	7.0
Div Yield (%)	2.6%	3.0%	3.4%	2.6%
Payout Ratio (%)	24.6%	21.8%	30.5%	29.1%

Price Performance

YE 30 Jun	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	4.0%	(9.6%)	(4.1%)	30.5%
Absolute (%)	6.2%	(6.2%)	3.7%	39.4%
Benchmark (%)	2.2%	3.4%	7.8%	8.9%



Major Shareholders

Van Eck Associates Corp.	8.0%
Australian Retirement Trust Pty Ltd.	6.0%
The Vanguard Group, Inc.	3.5%
Dimensional Fund Advisors LP	3.5%
Invesco Advisers, Inc.	2.5%

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Event

Ramelius Resources has released its June 2025 quarterly activities report. Highlights of the quarter include 73,454 ounces of production and underlying free cashflow of A\$207.8M.

Highlights

- Ramelius produced 73,454oz at an All-In-Sustaining-Cost (AISC) of A\$1,339/oz in the June 2025 quarter with an achieved gold price of A\$4,442/oz.
- RMS achieved full year gold production of 301,664oz (beating upgraded guidance of 290koz – 300koz and Shaw and Partners FY25E of 297.7Koz) at an AISC of A\$1,551/oz (lower end of upgraded guidance of A\$1,550/oz – A\$1,650/oz and beating Shaw and Partners FY25E of A\$1,589/oz).
 - Industry leading AISC with peer group reporting costs of between A\$1,562/oz (Evolution Mining, ASX:EVN) and A\$2,928/oz (Gold Road Resources, ASX:GOR).
 - FY26, 5-Year Production and AISC Guidance will be issued as part of the integrated studies currently in progress, expected in the December 2025 Quarter.
- Operating cashflow for the quarter was A\$228.9m (A\$224.8M from Mt Magnet and A\$4.1M from Edna May). After growth capital, exploration, and other cash flows, the underlying free cash flow for the quarter was A\$207.8M.
- During the quarter, Ramelius delivered into 18koz of forward contracts at A\$2,991/oz resulting in an achieved price of A\$4,442/oz.
 - At the lower end of peer group who have achieved prices of between A\$4,219/oz (Vault Minerals, ASX:VAU) and A\$5,174/oz (Westgold Resources, ASX:WGX).
- At the end of the quarter, forward gold sales consist of 56koz of gold at an average price of A\$3,283/oz including 18koz at A\$3,093/oz next quarter.
- RMS finished the June quarter with cash and gold of A\$809.7M. This balance is post:
 - An income tax payment of A\$28.3M; and
 - Payment of the A\$0.03/sh maiden fully-franked interim dividend (total dividend was A\$34.7M with dividend reinvestment plan of A\$7.8M)
- RMS and Spartan Resources merger to be implemented 31st July 2025. The combined group boasts a 12.1Moz Mineral Resource and 2.6Moz Ore Reserve with aspirations of expanding production to 500Kozpa by FY30 (Mt Magnet Production hub - 350kozpa and Rebecca/Roe Production hub – 150kozpa).
- Upcoming catalysts for RMS include:
 - A consolidated RMS and SPR production plan (Q4 CY25).
 - Rebecca-Roe DFS and FID (Q3 CY25).
 - Increased exploration results particularly at Penny, Dalgara and Cue (FY26 exploration expenditure guidance is double FY25 spend).
- Shaw and Partners updated gold price forecasts to reflect recent market movements, now flatlining gold at US\$3,250/oz for 2H25, up from US\$3,000/oz previously. This coupled with FY25 forecast outperformance has resulted in earnings upgrades summarised in Figure 4 and an increase in target price from A\$3.14/sh to A\$3.19/sh.

Recommendation

We maintain our positive view on gold with Ramelius being one of our preferred exposures due to its industry leading low AISC and enviable growth profile, reiterate a BUY recommendation with an increased price target of A\$3.19/sh (previously A\$3.14/sh) derived from a DCF.

Ramelius Resources

Materials

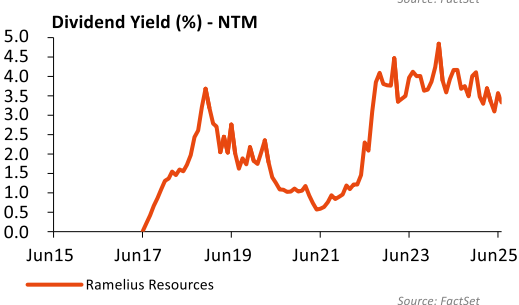
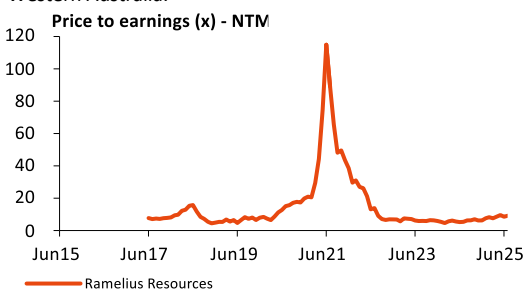
Materials

FactSet: RMS-AU / Bloomberg: RMS AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	2.66
Target Price (\$ps)	3.19
52 Week Range (\$ps)	1.82 - 2.95
Shares on Issue (m)	1,155
Market Cap (\$m)	3,068
Enterprise Value (\$m)	3,028
TSR (%)	23.1%

Valuation NPV	Data
Beta	1.00
Cost of Equity (%)	10.0%
Cost of Debt (net) (%)	2.8%
Risk Free Rate (%)	4.0%
Terminal Growth (%)	0.0%
WACC (%)	8.6%

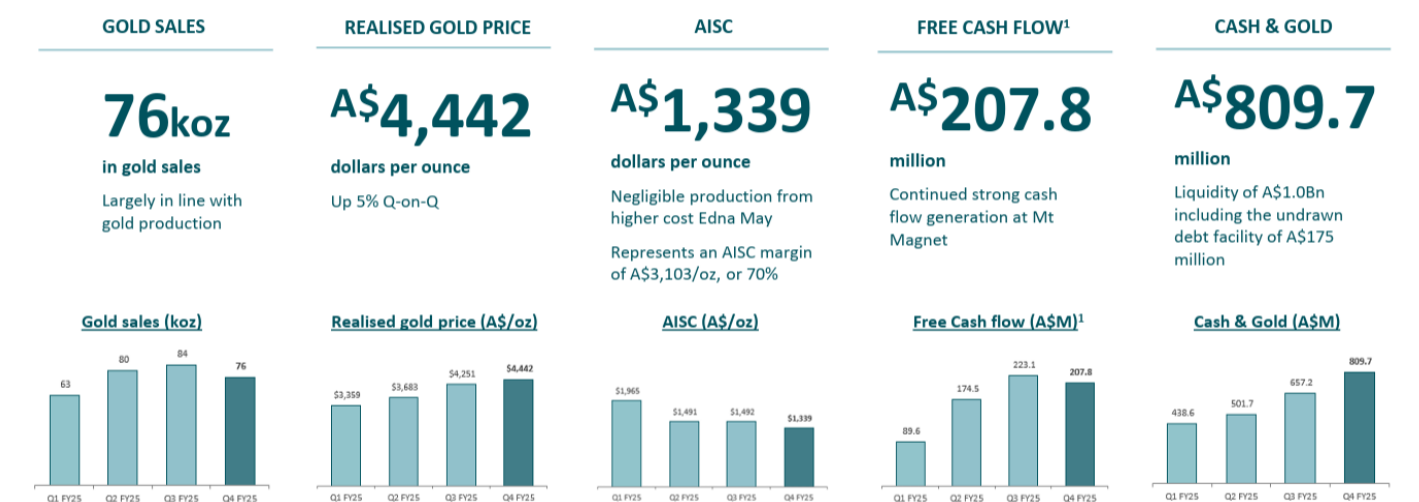
Ramelius Resources Ltd. is a mid-tier gold producer based in Western Australia.



Financial Year End: 30 June

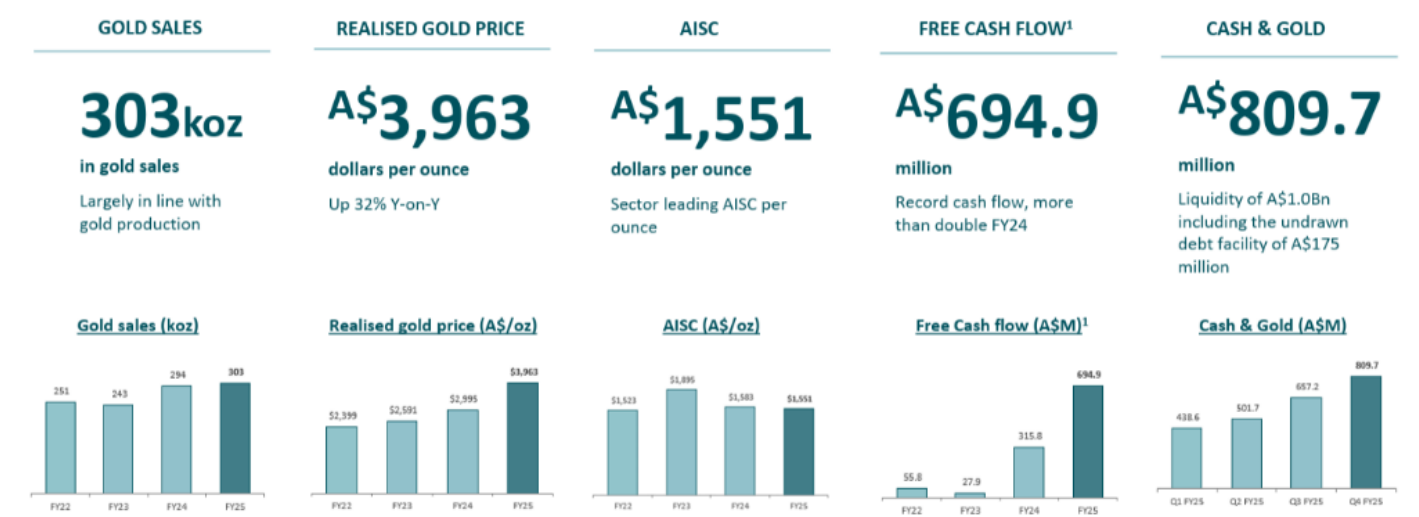
Investment Summary (AUD)	FY23A	FY24A	FY25E	FY26E	FY27E
EPS (Reported) (cps)	6.6	20.3	36.7	29.5	24.1
EPS (Underlying) (cps)	6.6	20.3	36.7	29.5	24.1
EPS (Underlying) Growth (%)	349.0%	206.4%	80.7%	(19.5%)	(18.4%)
PE (Underlying) (x)	19.0	9.5	7.2	9.0	11.0
EV / EBIT (x)	32.8	11.3	5.2	6.7	8.5
EV / EBITDA (x)	11.8	6.7	4.1	5.6	7.0
DPS (cps) (AUD)	2.0	5.0	8.0	9.0	7.0
Dividend Yield (%)	1.6%	2.6%	3.0%	3.4%	2.6%
Franking (%)	100%	100%	100%	100%	100%
Payout Ratio (%)	30.2%	24.6%	21.8%	30.5%	29.1%
Free Cash Flow Yield (%)	12.0%	10.4%	17.8%	10.3%	0.7%
Profit and Loss (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
Sales	631	883	1,186	917	755
Sales Growth (%)	4.5%	39.8%	34.3%	(22.6%)	(17.7%)
Other Operating Income	2	2	2	2	2
EBITDA	256	451	731	540	430
EBITDA Margin (%)	40.6%	51.0%	61.7%	58.9%	57.0%
Depreciation & Amortisation	(164)	(181)	(152)	(90)	(74)
EBIT	92.2	269.1	579.7	450.5	355.5
EBIT Margin (%)	14.6%	30.5%	48.9%	49.1%	47.1%
Net Interest	(2)	8	19	31	38
Pretax Profit	90	277	599	482	393
Tax	(29)	(60)	(180)	(145)	(118)
Tax Rate (%)	(31.8%)	(21.8%)	(30.0%)	(30.0%)	(30.0%)
NPAT Underlying	75	217	419	337	275
Significant Items	(14)	0	0	0	0
NPAT Reported	62	217	419	337	275
Cashflow (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
EBIT	92	269	580	451	356
Payments to Suppliers	(379)	(430)	(454)	(377)	(325)
Receipts from Customers	631	884	1,186	917	755
Tax Paid	6	(6)	(60)	(180)	(145)
Net Interest	3	11	11	24	30
Change in Working Capital	0	(4)	(62)	43	25
Depreciation & Amortisation	80	109	145	126	90
Other	0	0	0	0	0
Operating Cashflow	261	455	620	427	340
Capex	(168)	(85)	(40)	(75)	(280)
Acquisitions and Investments	53	(126)	(39)	(39)	(39)
Disposal of Fixed Assets/Investments	(4)	(29)	0	0	0
Other	(2)	(3)	0	0	0
Investing Cashflow	(121)	(243)	(79)	(114)	(319)
Free Cashflow	141	212	541	314	21
Equity Raised / Bought Back	0	0	0	0	0
Dividends Paid	(7)	(17)	(91)	(91)	(103)
Change in Debt	(7)	(17)	(91)	(91)	(103)
Other	(23)	(4)	99	99	111
Financing Cashflow	(37)	(39)	(84)	(84)	(95)
Exchange Rate Effect	0	0	0	0	0
Net Change in Cash	103	173	458	230	(74)
Balance Sheet (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	251	424	882	1,112	1,039
Accounts Receivable	3	4	5	4	3
Inventory	137	114	258	199	164
Other Current Assets	11	5	5	5	5
PPE	686	835	762	786	1,030
Total Assets	1,172	1,594	2,124	2,318	2,453
Accounts Payable	70	66	86	70	59
Long Term Debt	0	0	0	0	0
Total Liabilities	224	195	334	283	245
Ratios	FY23A	FY24A	FY25E	FY26E	FY27E
ROE (%)	9.1%	19.1%	27.5%	18.3%	13.4%

Figure 1: Q4'FY25 Metrics



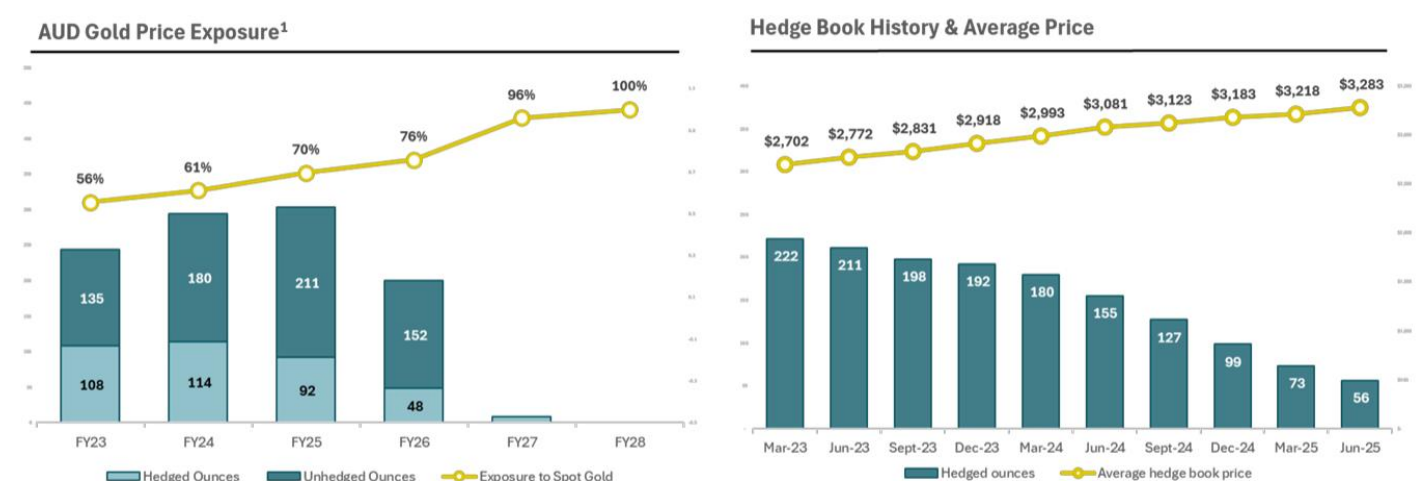
Source: Company Report

Figure 2: FY25 Metrics



Source: Company Report

Figure 3: Hedge Book



Source: Company Report

Figure 4: Earnings Changes

	Previous			Updated			Difference		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (A\$M)	1,168	889	755	1,186	917	755	2%	3%	-
EBITDA (A\$M)	715	512	430	731	540	430	2%	6%	-
NPAT (A\$M)	408	317	275	419	337	275	3%	6%	-

Source: Company Report

Key risks

- The gold price is volatile and driven as much by geopolitical events as fundamental supply and demand. As such, the price of gold is relatively difficult to forecast, and the actual price may differ substantially from our forecasts.
- A number of Ramelius' resources are not yet producing and there is a risk that Ramelius is unable to bring the operations in to production. The projects may cost more than expected to build and may not operate as expected.
- Ramelius Resources is acquisitive, and this brings risks that future acquisitions may not be as value creating as past acquisitions. The company has shown that it is able to make value-enhancing acquisitions, but all acquisitions come with due diligence risk.

Core drivers and catalyst

- Increased high grade ore from the Penny and Cue operations has increased production and lowered the company's AISC
- Ramelius has made a number of astute acquisitions in the past five years and we expect the company to remain acquisitive. The company has openly stated that it would like to add another processing hub to the portfolio.

Rating Classification

Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

Risk Rating

High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

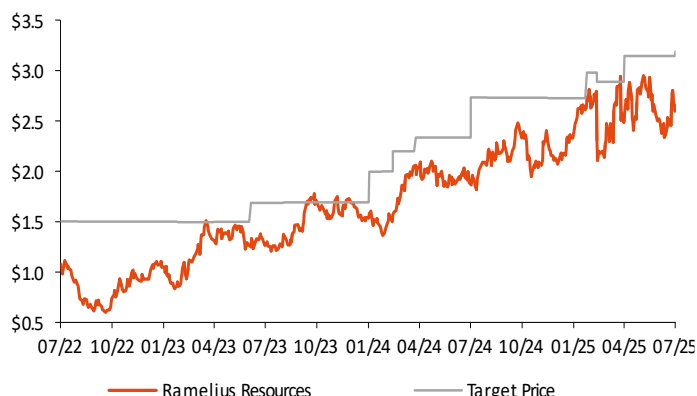
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Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	80	87%
Hold	12	13%
Sell	0	0%

History of Investment Rating and Target Price - Ramelius Resources

Date	Closing Price (\$)	Target Price (\$)	Rating
29-Jul-25	2.66	3.19	Buy
29-Apr-25	2.56	3.14	Buy
11-Mar-25	2.31	2.89	Buy
21-Feb-25	2.73	2.98	Buy
12-Dec-24	2.40	2.73	Buy
29-Oct-24	2.32	2.73	Buy
26-Aug-24	2.06	2.73	Buy
29-Jul-24	1.91	2.73	Buy
22-Apr-24	2.06	2.33	Buy
12-Mar-24	1.57	2.20	Buy
20-Feb-24	1.44	2.00	Buy
30-Jan-24	1.58	2.00	Buy
28-Aug-23	1.25	1.69	Buy
3-Jul-23	1.25	1.69	Buy
27-Apr-23	1.34	1.50	Buy
21-Feb-23	0.87	1.50	Buy
29-Aug-22	0.86	1.50	Buy



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