

BCI: Q4FY25; Solid Construction Progress, De-risking to First Salt Continues

BCI.ASX | BCI MINERALS LIMITED | MATERIALS | SALT

PRICE
A\$0.35/sh

TARGET PRICE
A\$0.47/sh
(FROM A\$0.44/sh)

RECOMMENDATION
SPECULATIVE BUY
(UNCHANGED)



Event

BCI is focused on developing the globally significant Mardie high-purity salt project on the Pilbara Coast, projected to be the third largest salt operation globally at 5.35 Mtpa, and the largest in Australia, targeting first salt on ship (FSOS) in Q4CY26.

The company reported its June Quarterly Update with the following key points:

- Mardie salt development **construction is now 69% complete** with total expenditure of \$1,113m to date. This was the largest quarter of construction progress achieved to date (from 61% complete at end-Mar'25).
- Importantly, BCI outlines remaining estimated construction cost to complete at \$508 million, covered by available funding of \$753 million.
- Pond surface inundation at 77%, on-track to be full by ~end-Aug'25, important milestone for evaporation over summer'25/'26, and FSOS target by Q4CY26.**
- Progress with SOP pilot project design, upside as a longer-term value-adding salt by-product depending on success of the pilot program over the next 12-18 months.
- \$34.1 million deferred payment received on 1 Jul'25 from Polaris Minerals Pty Ltd (MIN.ASX subsidiary) for Iron Valley iron ore asset sale in Jun'24.
- Salt prices continue to firm** (US\$56/t CFR in Mar'25) into SE Asia driven by sound market fundamentals, **supportive of our LT pricing assumption (US\$60/t).**

Impact

We initiated in mid-May'25, at what we viewed as an important inflection point through construction and <18 months from first salt revenues, with the share price up 25% since. We see the potential for the share price to continue to rise as FSOS and revenues approach, noting our unrisks salt-only Mardie valuation of \$0.56/sh.

As a reminder, we model steady-state salt-only EBITDA of \$250 million p.a. (trade on 8-10x?), with a plan to payout 80-100% of FCF (~\$190m) at steady-state (trade on 13-15x EV/FCF?, i.e. ASX: DRR) as dividends.

Action

We reiterate our **Speculative Buy recommendation and lift our Price Target to \$0.47/sh** (from \$0.44/sh) as we roll forward our model and keep our assumptions unchanged, as BCI progresses, and de-risks, towards the first salt on ship milestone targeted for the December Quarter FY26.

Our valuation is based on a risked sum-of-the-parts valuation, primarily built on earnings from the Mardie salt project. Additional opportunities (port-tolling, SOP) present meaningful medium-term earnings and upside to our current valuation.

Catalysts

- Dredging sea dumping approval/completion, salt wash plant milestones (key work streams to meet first salt target)
- Mardie development progress (Qrtly), budget revision, first salt sales (end-CY26)
- SOP FEED study completion (~Q3 CY25), target FID (CY26)
- Salt and SOP pricing

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Analyst

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Market Statistics

Share Price	0.35	A\$/sh
Price Target	0.47	A\$/sh
Valuation	0.47	A\$/sh

Shares on issue (dil)	3218	m
Market Capitalisation	1126	A\$m
Enterprise Value	1330	A\$m
Net Cash/(Debt)	-204	A\$m

Prod Forecast (FY)	2025F	2026F	2027F
Salt	0	0	1.3
SOP	0	0	0

Assumptions	2025F	2026F	2027F
Salt CIF (US\$/mt)	51	54	60
SOP FOB (US\$/mt)	550	600	600
AUD/USD (fx)	0.63	0.64	0.69

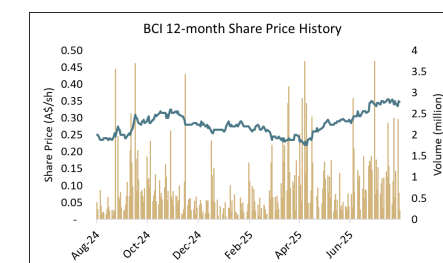
Key Financials	2025F	2026F	2027F
Revenue (A\$m)	0.0	0.0	114.8
EBITDA (A\$m)	-46.3	-50.5	24.6
Reported NPAT (A\$m)	-47.1	-99.2	-49.1

GrossCashflow (A\$m)	-41.1	-94.4	-37.2
Op. FCF (A\$m)	-513.1	-486.5	-187.5
Net Cashflow (A\$m)	-479.4	-452.4	-57.4

Div Yield (%)	0%	0%	0%
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P/E (f.d.)	na	na	na
EV/EBITDA	na	na	54.1

Performance



Source: IRESS

Asset Valuation			
	A\$m	A\$/sh	
(+) Mardie Salt Only	1,628	0.50	
(+) Mardie SOP	163	0.05	
(+) Other (e.g. Port Tolling)	0	0.00	
(+) Dfrd Iron Bridge Payment	34	0.01	
(+) Investments	4	0.00	
(-) Corporate O/H	-93	-0.03	
(+/-) Net Cash/(Debt)	-204	-0.06	
Total	1,533	0.47	

Forecast Production			
Attrib. Prod'n (Mt)	2025F	2026F	2027F
Salt	0.0	0.0	1.3
SOP	0.0	0.0	0.0
Total Production	0.0	0.0	1.3
Assumptions			
Salt CFR (US\$/mt)	51	54	60
SOP FOB (US\$/mt)	550	600	600
Fx (AUD/USD)	0.63	0.64	0.69

PROFIT & LOSS				
Yr End 30 June (A\$m)	2024A	2025F	2026F	2027F
Revenue	0.0	0.0	0.0	114.8
(-) Operating Expenses	0.0	0.0	0.0	-51.0
(-) Project Dev and Eval Exp	-32.0	-30.1	-30.1	-18.8
(-) Corporate O/H	-20.0	-20.4	-20.4	-20.4
(-) Other	7.6	4.1	0.0	0.0
EBITDA	-44.4	-46.3	-50.5	24.6
(-) D&A	-4.7	-4.8	-4.8	-11.9
(-) Impairment	0.0	0.0	0.0	0.0
(-) Other	0.0	0.0	0.0	0.0
EBIT	-49.1	-51.1	-55.3	12.7
(-) Net Finance	-0.1	-9.1	-43.9	-61.8
(+/-) Other (inc. sell-down c...)	0.0	0.0	0.0	0.0
PBT	-49.2	-60.2	-99.2	-49.1
(-) Tax	0.0	0.0	0.0	0.0
Normalised NPAT	-49.2	-60.2	-99.2	-49.1
(+/-) Profit Disc Ops	33.9	13.1	0.0	0.0
Reported NPAT	-15.3	-47.1	-99.2	-49.1

CASHFLOW				
Yr End 30 June (A\$m)	2024A	2025F	2026F	2027F
Reported NPAT	-15.3	-47.1	-99.2	-49.1
(+) D&A	7.3	4.8	4.8	11.9
(+) Impairment	0.0	0.0	0.0	0.0
(+) Share based payments	0.9	1.2	0.0	0.0
(+/-) Other	0.1	0.0	0.0	0.0
Gross Cashflow	-7.1	-41.1	-94.4	-37.2
(-) Capital Expenditure	-216.0	-385.1	-377.5	-138.0
(-) Exploration	0.0	0.0	0.0	0.0
(+/-) Change in WC	-20.0	-86.9	-14.6	-12.3
Operating Free Cashflow	-243.1	-513.1	-486.5	-187.5
(-) Acquisition	0.0	0.0	0.0	0.0
(+) Asset sale/farm-down	3.9	26.0	34.1	0.0
(+) Issue of equity	389.5	0.0	0.0	130.0
(-) Dividend	0.0	0.0	0.0	0.0
(+/-) Other	-11.4	7.7	0.0	0.0
Net Cashflow	138.8	-479.4	-452.4	-57.4
BoP Net Cash	7.0	145.8	-333.6	-786.0
(+/-) Net Cashflow	138.8	-479.4	-452.4	-57.4
(+/-) AASB16 Adj.	0.0	0.0	0.0	0.0
EOp Net Cash (inc CN)	145.8	-333.6	-786.0	-843.5

PERFORMANCE RATIOS				
Growth & Margins	2024A	2025F	2026F	2027F
Revenue Growth	-100%	na	na	na
EBITDAX Growth	-453%	4%	9%	-149%
NPAT Growth	264%	-207%	-111%	51%
EBITDAX Margin	na	na	na	21%
NPAT Margin	na	na	na	-43%
Risk Measures				
Net interest cover (x)	na	na	na	0.2
Net debt/equity (%)	na	229%	84%	88%

BALANCE SHEET				
Yr End 30 June (A\$m)	2024A	2025F	2026F	2027F
Cash	258.9	20.0	20.0	20.0
Receivables	5.0	39.5	39.5	61.9
Investments	6.7	4.9	4.9	4.9
Other Assets	15.6	16.2	16.2	16.2
Total Current Assets	336.1	80.6	80.6	103.0
Receivables	20.3	0.0	0.0	0.0
PP&E	647.6	1,013.9	1,386.6	1,512.8
Intangibles	15.5	15.5	15.5	15.5
ROUA	0.7	0.4	0.4	0.4
Other Assets	1.2	32.0	32.0	32.0
Total Non-Current Assets	685.3	1,061.8	1,434.5	1,560.7
Total Assets	1,021.4	1,142.4	1,515.1	1,663.7
Payables	77.4	24.7	43.7	53.7
Derivatives	0.0	0.0	0.0	0.0
Lease Liability	0.6	0.3	0.3	0.3
Borrowings	0.0	0.0	0.0	0.0
Provisions	1.1	1.3	1.8	2.0
Other Liabilities	0.0	0.0	0.0	0.0
Total Current Liabilities	79.1	26.4	45.9	56.0
Payables	0.0	0.0	0.0	0.0
Lease Liability	0.1	0.0	0.0	0.0
Borrowings	113.1	353.6	806.0	863.5
Provisions	0.0	0.0	0.0	0.0
Other Liabilities	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	113.3	353.6	806.0	863.5
Total Liabilities	216.2	380.0	851.9	919.5
Net Assets	805.2	762.4	663.2	744.2
Contributed Equity	959.9	965.2	965.2	1,095.3
Reserves	-0.1	-1.1	-1.1	-1.1
Retained Earnings	-154.6	-201.7	-300.9	-350.0
Total Equity	805.2	762.4	663.2	744.2

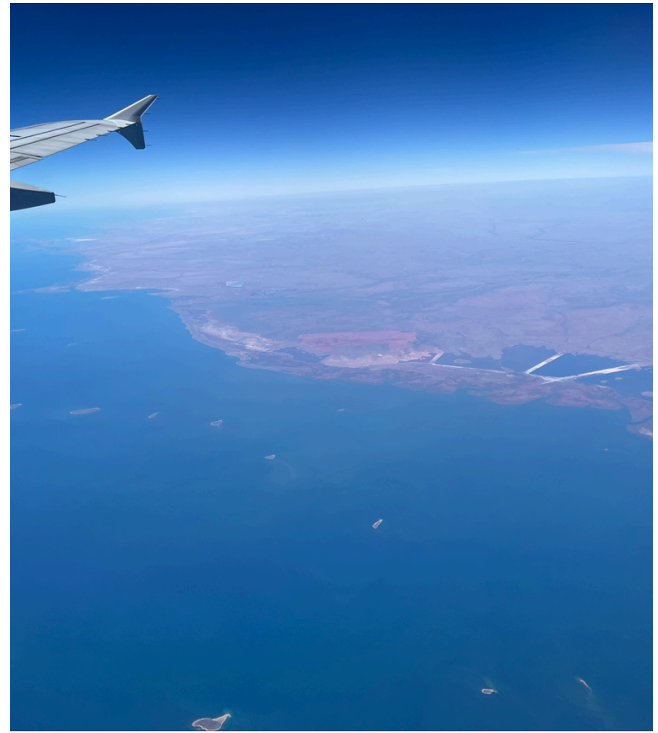
SHARE DATA/VALUATION				
Share Data	2024A	2025F	2026F	2027F
Issued shares (m)	2,884	2,886	2,886	3,218
Performance Rights (m)	11	11	11	11
Fully diluted shares (m)	3,229	3,230	3,230	3,230
Basic EPS (A\$)	-0.53	-1.63	-3.44	-1.53
YoY change (%)	-69%	307%	-211%	44%
Fully diluted EPS (A\$)	-0.48	-1.46	-3.07	-1.52
YoY change (%)	-62%	307%	-211%	49%
Dividend/share (A\$)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	0%
Gross cashflow/share (A\$)	0	-1	-3	-1
NBV/share (A\$)	25	24	21	23
NTA/Share (A\$)	24	23	20	23
Valuation				
PER (Basic) (x)	na	na	na	na
PER (Fully diluted) (x)	na	na	na	na
P/CFPS (x)	na	na	na	na
Price/NBV (x)	1	1	2	2
Price/NTA (x)	1	2	2	2
Dividend Yield (%)	0%	0%	0%	0%
EV/EBITDA (x)	na	na	na	54.1
EV/EBIT (x)	na	na	na	104.5
EV/Revenue (x)	na	na	na	11.6

Figure 1: Mardie Pond Filling Progress (1-6 and 8 filling)



Source: Company Announcement

Figure 2: Airplane View of Mardie Project at 38,000 feet

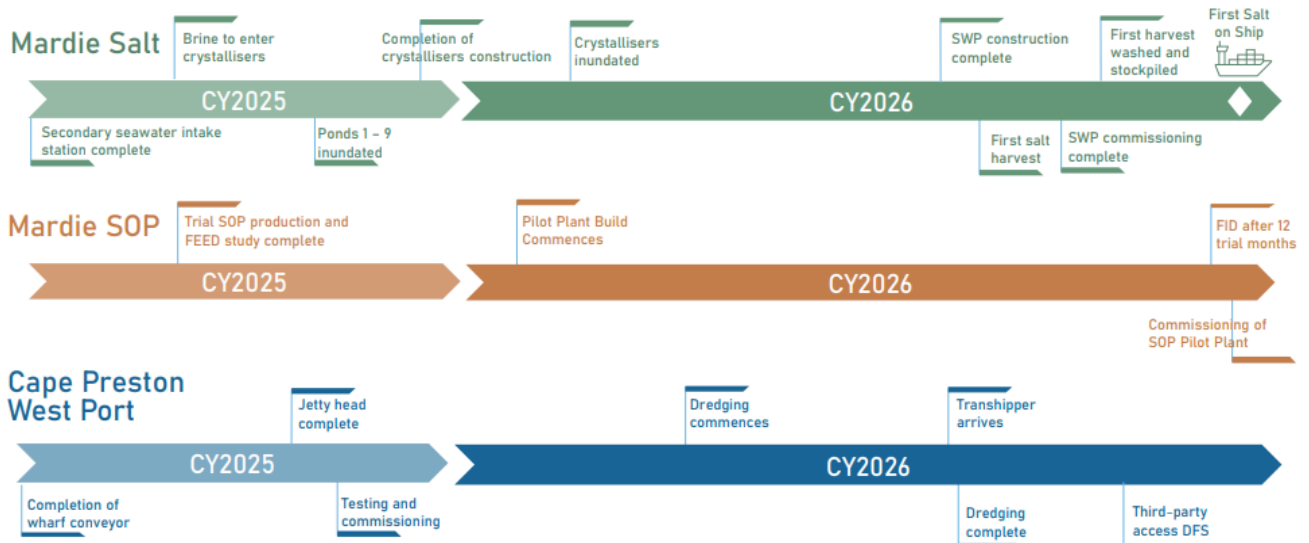


Source: Euroz Hartleys

Figure 3: Mardie Revenue Streams Milestones

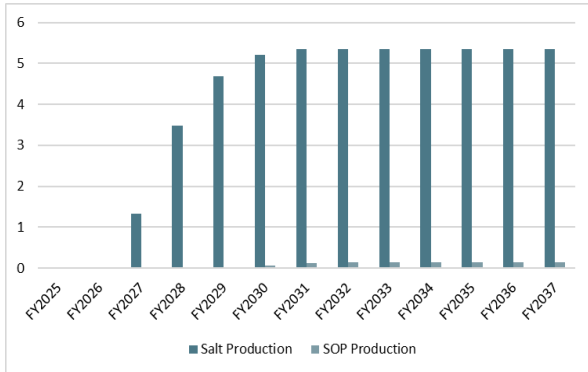
Roadmap to Revenue

DFS - Definitive feasibility study
 FID - Final investment decision
 SWP - Salt wash plant



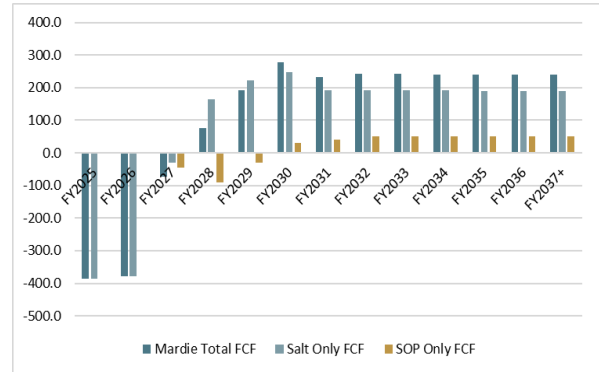
Source: Company Presentation

Figure 4: Forecast Mardie Salt and SOP Production (Mtpa)



Source: Euroz Hartleys

Figure 5: Forecast Mardie FCFF Outlook



Source: Euroz Hartleys

Figure 6: Euroz Hartleys Sum-of-the-Parts Valuation

Asset Valuation	Unrisked A\$m	Unrisked A\$/sh	Valuation (Risking)	Risked A\$m	Risked A\$/sh.
(+) Mardie Salt Only	1,809	0.56	90%	1,628	0.50
(+) Mardie SOP	327	0.10	50%	163	0.05
(+) Other (e.g. port tolling)	0	0.00	0%	0	0.00
(+) Deferred Iron Bridge Payment	34	0.01	100%	34	0.01
(+) Investments (Agrimin, 10.89%)	4	0.00	100%	4	0.00
(-) Corporate O/H	-93	-0.03	100%	-93	-0.03
(+/-) Net Cash/(Debt)	-204	-0.06	100%	-204	-0.06
Total	1,877	0.58		1,533	0.47

Source: Euroz Hartleys

Figure 7: BCI Valuation Metrics at Steady-state Production

	Annual EBITDA	Implied EV 8x	Implied EV 10x	Annual FCF	Implied EV 13x	Implied EV 15x	Payout Ratio 80%	Payout Ratio 100%
Salt-only	250	2000	2500	190	2470	2850	152	190
\$/sh		0.62	0.77		0.76	0.88	0.047	0.059
SOP-only	70	560	700	50	650	750	40	50
\$/sh		0.17	0.22		0.20	0.23	0.012	0.015
Mardie Total	320	2560	3200	240	3120	3600	192	240
\$/sh		0.79	0.99		0.97	1.11	0.059	0.074

Source: Euroz Hartleys

Figure 8: Salt Price/Fx Valuation Sensitivity (\$/sh)

Salt CIF Long Term Pricing (US\$/mt)		45	50	55	60	65	70	75
AUD/USD	0.80	0.13	0.21	0.28	0.36	0.43	0.51	0.57
	0.75	0.17	0.25	0.33	0.41	0.49	0.56	0.64
	0.70	0.22	0.30	0.39	0.47	0.57	0.64	0.73
	0.65	0.27	0.37	0.45	0.55	0.63	0.73	0.82
	0.60	0.33	0.43	0.54	0.63	0.73	0.83	0.94
	0.55	0.40	0.52	0.62	0.73	0.84	0.93	1.04

Source: Euroz Hartleys

Figure 9: Salt Price/Fx Valuation Sensitivity (EBITDA p.a.)

Salt CIF Long Term Pricing (US\$/mt)		45	50	55	60	65	70	75
AUD/USD	0.80	107	141	174	208	241	274	308
	0.75	122	158	194	229	265	301	336
	0.70	140	178	216	254	292	331	369
	0.65	159	201	242	283	324	365	406
	0.60	183	227	272	316	361	406	450
	0.55	210	259	307	356	405	453	502

Source: Euroz Hartleys

Figure 10: Salt Price/Discount Rate/WACC Sensitivity (\$/sh)

Salt CIF Long Term Pricing (US\$/mt)		45	50	55	60	65	70	75
Discount Rate	7%	0.28	0.38	0.48	0.57	0.68	0.76	0.86
	8%	0.22	0.30	0.39	0.47	0.57	0.64	0.73
	9%	0.17	0.24	0.33	0.40	0.48	0.54	0.62
	10%	0.13	0.19	0.27	0.33	0.40	0.46	0.53

Source: Euroz Hartleys

Figure 11: Salt Price/Discount Rate/WACC Sensitivity (A\$m)

Salt CIF Long Term Pricing (US\$/mt)		45	50	55	60	65	70	75
Discount Rate	7%	896	1,214	1,556	1,852	2,187	2,461	2,788
	8%	695	974	1,275	1,533	1,827	2,063	2,350
	9%	535	783	1,051	1,278	1,540	1,746	2,000
	10%	405	627	869	1,071	1,306	1,488	1,716

Source: Euroz Hartleys

Figure 12: Salt Price/SOP Price Valuation Sensitivity (\$/sh)

Salt CIF Long Term Pricing (US\$/mt)		45	50	55	60	65	70	75
SOP FOB Long Term Pricing (US\$/t)	500	0.20	0.28	0.37	0.45	0.54	0.62	0.71
	600	0.22	0.30	0.39	0.47	0.57	0.64	0.73
	700	0.24	0.32	0.40	0.50	0.59	0.66	0.75
	800	0.26	0.34	0.43	0.52	0.59	0.68	0.77
	900	0.27	0.37	0.45	0.54	0.61	0.70	0.79
	1,000	0.29	0.39	0.47	0.56	0.63	0.72	0.81

Source: Euroz Hartleys

Figure 13: Salt Price/SOP Price /Sensitivity (EBITDA p.a.)

Salt CIF Long Term Pricing (US\$/mt)		45	50	55	60	65	70	75
SOP FOB Long Term Pricing (US\$/t)	500	189	227	265	303	342	380	418
	600	209	247	285	323	362	400	438
	700	229	267	305	343	382	420	458
	800	249	287	325	363	402	440	478
	900	269	307	345	383	422	460	498
	1,000	289	327	365	403	442	480	518

Source: Euroz Hartleys

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BCI Minerals Limited (BCI.ASX) | Price A\$0.35 | Target price A\$0.47 | Recommendation Speculative Buy;

Price, target price and rating as at 30 July 2025 (not covered)*

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