

Thursday, 29 August 2024

Gem Diamonds Limited Half Year 2024 Results

Gem Diamonds Limited (LSE: GEMD) ("Gem Diamonds", the "Company" or the "Group") announces its Half Year Results for the six months ended 30 June 2024 (the "Period").

FINANCIAL RESULTS:

- Revenue of US\$78.0 million (H1 2023: US\$71.8 million)
- Underlying EBITDA of US\$19.1 million (H1 2023: US\$8.4 million)
- Profit for the Period of US\$5.5 million (H1 2023: US\$1.5 million)
- Attributable profit of US\$2.1 million (H1 2023: loss of US\$1.0 million)
- Earnings per share of 1.5 US cents (H1 2023: loss per share of (0.7) US cents)
- Cash on hand of US\$30.0 million as at 30 June 2024 (US\$21.6 million attributable to Gem Diamonds) and unutilised facilities of US\$54.9 million
- Net debt of US\$8.4 million (31 December 2023: US\$21.3 million)

OPERATIONAL RESULTS:

Letšeng

- Three lost time injuries
- Recovered 55 873 carats (H1 2023: 50 601 carats)
- Waste tonnes mined of 3.2 million tonnes (H1 2023: 4.8 million tonnes)
- Ore treated of 2.5 million tonnes (H1 2023: 2.5 million tonnes)
- Average value of US\$1 366 per carat achieved (H1 2023: US\$1 373 per carat)
- The highest dollar per carat achieved for a white rough diamond during the Period was US\$41 007 per carat

Safety performance

Letšeng recorded three LTIs during the Period (2023: two), resulting in an LTIFR and AIFR of 0.36 (2023: 0.10) and 0.60 (2023: 0.67), respectively. Each of the LTIs in the Period had minor consequences and were fully investigated with corrective actions to prevent repeat occurrences implemented.

Diamond market

The diamond market remains under significant pressure which has negatively impacted prices achieved during the Period. An increase in both the number of larger than 100 carat diamonds and overall diamond recoveries aided in offsetting the market impact on prices.

Operational performance

Focused cost and operational efficiency initiatives undertaken at Letšeng since H2 2023, have resulted in enhanced plant stability, increased overall plant utilisation, increased carats recovered and an improvement in large diamond recoveries. Eight diamonds greater than 100 carats were recovered during the Period compared to two in H1 2023. Post Period end, two more diamonds greater than 100 carats were recovered.

Letšeng full year guidance

In line with continued mine plan optimisation and efforts to contain costs, the full year guidance for waste tonnes mined has been revised down to 5 - 6 million tonnes.

The full year guidance on carats recovered and carats sold has been revised upwards due to the improved operational performance. Carats recovered have been revised to 98 - 101 kcts and carats sold have been revised to 100 - 103 kcts.

All other guidance as issued in March 2024 remains unchanged.

Commenting on the results today, Clifford Elphick, Chief Executive Officer of Gem Diamonds, said:

"The pressure on the global diamond market persists which negatively impacted the revenue generated during the Period. We have, however, had great success in improving our operational outputs and cost containment which mitigated the market impact on diamond prices. In line with the improved performance, we have revised our guidance for 2024."

The Company will host a live audio webcast presentation of the half year results today, 29 August 2024, at 9:30 BST. This can be viewed on the Company's website: www.gemdiamonds.com.

The page references in this announcement refer to the Half Year Report 2024, which can be found on the Company's website: www.gemdiamonds.com.

The Gem Diamonds Limited LEI number is 213800RC2PGGMZQG8L67

FOR FURTHER INFORMATION:

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ABOUT GEM DIAMONDS:

Gem Diamonds is a leading global diamond producer of high value diamonds. The Company owns 70% of the Letšeng mine in Lesotho. The Letšeng mine is famous for the production of large, exceptional white diamonds, making it the highest dollar per carat kimberlite diamond mine in the world.