EQUITY RESEARCH

Materials

18 November 2025

Syrah Resources Ltd (SYR.ASX)

Time keeps on slipping… into the future

Event:

- **3Q 2025 review; DFC loan; Tesla offtake.**

Investment Highlights:

- **Another step-up as expected.** SYR's 3Q was the first full quarter since it restarted Balama and, so as anticipated, a marked improvement over the 2Q. It also slightly exceeded our expectations across most metrics.
- **Shipments and production rise.** Balama shipped 24kt and produced 26kt graphite concentrate during the 3Q, above our 21kt forecast for each and the 6.5k and 0.6kt respectively of the 2Q. Average weighted CIF price of US$625/t bettered our forecast US$587/t, while campaign FOB costs of US$585/t came under our US$611/t estimate.
- **Net operating cash burn reduces to -US$3.3M.** This included Vidalia Section 45X tax credit of US$11.7M and US$11.7M in Balama receipts. Gross cash outflows were -US$28M vs our expected -US$22M, due to less positive working capital impact**.** SYR ended the quarter with US$87M cash above our estimate of US$71M, mostly due to the tax credit.
- **Vidalia first sales expectation rolls over into 2026.** SYR claims uncertainty of tariffs and duties (yet to be finalised) has prolonged time to first Vidalia sales, together with the lengthy qualification process. Yesterday, Tesla and SYR again extended the alleged default cure date, this time to 15 January 2026.
- **POSCO anode contract should be positive for Balama.** While SYR would be envious of POSCO's US$460M natural anode contract with a US automaker last month, at least it should have a positive flow-on effect, POSCO commenting that its customer wants a whole non-China supply chain to avoid duties and claim credits. POSCO accessing Balama feed would satisfy this condition. We expect POSCO's new anode plant to be commissioned by end 2026.
- **Desire for China-independent critical minerals intact.** While there has been some recent rapprochement between the US and China over trade, the push to establish critical minerals independence remains, given fragile geopolitics.
- **DFC loan restructure.** SYR received a US$8.5M disbursement from the DFC yesterday, together with deferral of interest payment previously due this month, to May 2026. As part of the restructure, the DFC has been granted warrants for up to 1% of SYR at negligible cost.
- **Mineral Resources-POSCO like type deal could happen for graphite**. SYR is seeking a partner to help fund its operations and scale-up ambitions. Balama is Tier 1 scale while Vidalia is arguably the most advanced anode facility in US. These should attract a major partner. POSCO Future M could be a candidate.

Earnings and Valuation:

- **Slight changes.** We upgrade FY25 NPAT on higher Balama sales and downgrade that of FY26 on lower Vidalia shipments. Valuation rises to $0.52 from $0.51.

Recommendation:

- **We maintain our Buy and lift 12-month price target to $0.52 from $0.51,** based on valuation. Catalysts include: 1) Vidalia sales; 2) Improving graphite markets; 3) FID and funding for Vidalia 45ktpa; and 4) Corporate activity/strategic partner.

Disclosures

The analyst owns 73,690 SYR shares. Foster Stockbroking, staff, and Cranport own <1% of SYR shares on issue.

Recommendation	**Buy**
Previous	Buy
Risk	Medium
Price Target	**$0.52**
Previous	$0.51
Share price (A$)	**$0.31**
ASX code	SYR
52 week low-high	$0.1616-0.53
Valuation - risked (A$/share)	**$ 0.52**
Methodology	risked NPV
Capital structure	
Shares (M)	1,312
Market cap (A$M)	407
Net cash (debt) (A$M)	-297
Performance & share rights (M)	31
Warrants (M)	17
Diliuted EV (A$M)	719
Ave daily volume ('000)	6,497

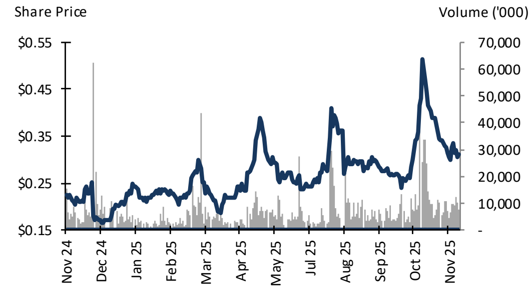
Earnings US$M y/e Dec	FY24a	FY25e	FY26e	FY27e
Sales	33	33	192	311
EBITDA adj	-84	-67	28	98
NPAT reported	-120	-105	-5	36
NPAT adj	**-117**	**-97**	**-5**	**36**
EPS adj. $*	**-0.13**	**-0.09**	**0.00**	**0.02**
PE x	**nm**	**nm**	**nm**	**11.9x**
EV/EBITDA x	nm	nm	12.8x	3.6x

** Adj =underlying*

Substantial shareholders	
AustralianSuper Pty Ltd	34.0%
Paradice Investment Management Pty Ltd	6.0%

Board	
Shaun Verner	MD and CEO
James Askew	Non-Executive Chairman
Jose Manuel Caldeira	Non-Executive Director
Lisa Bahash	Non-Executive Director
John Beevers	Non-Executive Director
Robert Edel	Non-Executive Director
Sara Watts	Non-Executive Director

Share price graph



Analyst: Mark Fichera +612 9993 8162
mark.fichera@fostock.com.au