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14 August 2026

Jupiter Mines Ltd (JMS.ASX)

Better 2H, but three Rs bite

Event:

- **4Q review; Earnings and PT changes.**

Investment Highlights:

- **4Q provides strong finish on shipments.** Tshipi FY26 4Q delivered quarterly highs for the year in both sales (944kt) and production (996kt), the former resulting in 3.5Mt for the full year, exceeding our expectation of 3.4Mt (based on 4Q 850kt estimate).
- **Mn prices benefited from lingering Iran war effects.** Average realised 36.5% Mn price in the 2H was US$3.86/dmtu FOB, above our forecast US$3.77/dmtu as the price continued rallying on concerns of Iran war disruptions to China and India imports, but since then has abated. 4Q C1 FOB costs were US$2.48/dmtu, in-line with our forecast US$2.45/dmtu.
- **Earnings lower on three Rs: Rand, realisation, royalties.** Despite slightly higher prices and shipments, and flat C1 costs vs. our estimates, reported 4Q Tshipi NPAT was $21.4M, well below our forecast $38M. This was due to both higher realisation costs and royalties, resulting in CIF costs of US$4.19/dmtu vs our forecast US$3.12/dmtu. Additionally, the stronger Rand weakened translation to A$ earnings. A similar story played out in our 3Q forecasts.
- **Looking at logistics for productivity.** Tshipi transported no product on road during the quarter for shipments though RSA ports, instead utlising greater MECA allocation for lower cost rail, due to smaller mines not using their capacity. Road was only utilised for shipments through Namibia via the Luderitz port. JV partner Exxaro is also seeking to bring its experience and knowledge in extracting logistics savings for Tshipi.

Earnings and Valuation:

- **Earnings downgrade on costs and Rand.** We have downgraded our JMS NPAT forecasts mostly on higher Tshipi realisation costs and stronger Rand, with FY26e NPAT now $38M (prior $55M), and FY27e now $59M (prior $78M).
- **Forecast final dividend of 0.65c, but risk to upside**. Interim dividend was 0.55c, and we expect a 0.65c final dividend due to higher 2H earnings, based on 70% payout of Tshipi profit and 85% of it in turn being paid by JMS. However, JMS in the recent past has paid out >100% of its Tshipi dividend, and a 100% payout would equate to a final dividend of 0.75c. So we see mostly upside risk to our forecast.
- **Valuation reduces to $0.40 from $0.47.** Our NPV_{10} nominal risked valuation has reduced to $0.40/share from $0.47/share on our downgraded earnings.

Recommendation:

- **Maintain Buy, cut our 12-month price target to $0.40 from $0.47.** We have lowered our price target based on our decreased risked valuation. Share price catalysts include: manganese prices; HPMSM PFS; Tshipi expansion; further Kalahari consolidation; other M&A activity.

Disclosures	
The analyst owns 582,276 JMS shares.	
Foster Stockbroking, staff, and Cranport own <1% of JMS shares on issue. Refer details end of report.	
Recommendation	**Buy**
Previous	Buy
Risk	High
Price Target	**$0.40**
Previous	$0.47
Share price (A$)	**$ 0.265**
ASX code	JMS
52 week low-high	0.225-0.31
JMS Valuation (A$/share)	**$0.40**
Methodology	NPV
JMS Capital structure	
Ordinary shares (M)	1,966
Rights (M)	18
Market cap (A$M)	521
Net cash (debt) attributable (A$M)	74
EV diluted (A$M)	452
Ave daily volume ('000)	3,522

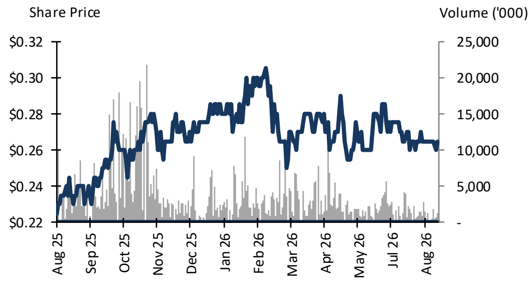
Y/e Jun A$M	FY25a	FY26e	FY27e	FY28e
Sales adj*	379	383	361	351
EBITDA adj.*	57	56	86	80
NPAT reported	40	38	59	55
NPAT adj*	**36**	**38**	**59**	**55**
EPS adj. c*	**1.8**	**1.9**	**3.0**	**2.8**
P/E x	**14.3x**	**13.8x**	**8.8x**	**9.5x**
EV/EBITDA x	7.8x	7.9x	5.2x	5.6x
DPS c	**1.5**	**1.2**	**1.8**	**2.1**
Yield %	**5.7%**	**4.5%**	**6.8%**	**8.0%**

** Adj =underlying inlcuding attributable share of Tshipi*

JMS Board	
Ian Murray	Non-Executive Chair
Brad Rogers	Managing Director & CEO
Scott Winter	Non-Executive Director
Sally Langer	Non-Executive Director
Ben Kim	Non-Executive Director

Substantial shareholders	
Exxaro Resources	19.99%
Pinnacle Investment Management Group	5.10%

Share price graph



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