

# Tender Offer

15.08.2023 | [GlobeNewswire](#)

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[Kenmare Resources plc](#)  
("Kenmare" or "the Company")

15 August 2023

Proposed Tender Offer to purchase up to 5.9% of the Company's issued ordinary shares

Publication of Circular and Notice of EGM

[Kenmare Resources plc](#) (LSE:KMR, ISE:KMR), one of the leading global producers of titanium minerals and zircon, which operates the Moma Titanium Minerals Mine (the "Mine" or "Moma") in northern Mozambique, today announces the launch of a proposed tender offer (the "Tender Offer") to purchase up to 5.9% of the Company's issued ordinary shares ("Ordinary Shares").

The Tender Offer executes on the Company's stated intention to occasionally supplement shareholder returns by buying back shares when sufficient capital is available supported by the operational performance and strong financial position of Kenmare and its subsidiaries (the "Group") and wider commodity market conditions.

## Highlights

- The Company proposes to return up to £23.6 million (approximately \$30 million) to Eligible Shareholders by way of a Tender Offer at £4.22 per Ordinary Share (being the closing price of an Ordinary Share as derived from the London Stock Exchange Daily Official List on 14 August 2023).
- The Tender Offer is for up to 5.9% of the Company's issued share capital. Under the Tender Offer, each Shareholder is entitled to have up to 5.9% of its shareholding purchased by the Company at the Tender Price.
- The Tender Offer is to be funded from the Company's existing and available cash resources and remains open until 1.00 p.m. on 8 September 2023.
- Eligible Shareholders will be able to decide whether to tender none, some or all of their Ordinary Shares within the overall limits of the Tender Offer.
- The Tender Offer will provide Eligible Shareholders with an opportunity to sell part or all of their Ordinary Shares and to receive their respective share of the cash which the Company is seeking to return.
- Directors who are beneficially interested in Ordinary Shares have indicated that they will not tender Ordinary Shares pursuant to the Tender Offer.
- The Tender Offer will provide Eligible Shareholders holding 1,000 Ordinary Shares or fewer in certificated form an opportunity to sell their entire shareholding in the Company without the dealing costs or commissions that might otherwise make such sale uneconomic (subject to there being capacity to purchase those Ordinary Shares in accordance with the terms of the Tender Offer; if there is insufficient capacity to purchase all of such Ordinary Shares, as many tenders as possible from such Eligible Shareholders will be accepted in full).

Background to and reasons for the Tender Offer

The Board continually reviews the Company's capital allocation to maximise long-term returns to Shareholders. The Board seeks to return value to Shareholders through a combination of capital appreciation, share buybacks and dividend payments.

Kenmare began paying dividends in 2019 and in each of the last three years the Company has paid dividends representing 25% of profit after tax. Since 2019, the Company has returned \$103.6 million in total to shareholders by way of dividends and previously completed a share buyback of £61.8 million (approximately \$82.7 million) in December 2021.

In March 2023, Kenmare reported record revenues of \$526.0 million and record EBITDA of \$298.0 million for the year to 31 December 2022 as well as moving into a net cash position of \$27.5 million at 31 December 2022. In its financial results for the six-month period ended 30 June 2023, the Group reported profit after tax of \$67.8 million in H1 2023 (H1 2022: \$62.5 million) and cash and cash equivalents of \$108.8 million as at 30 June 2023.

In April of this year the Company announced that, based on its current and anticipated financial performance and strong balance sheet position, it intended to evolve its dividend policy towards a payout range of 20% to 40% of underlying profit after tax, and that additional special dividends and share buybacks would be considered, subject to market conditions, balance sheet position and capital requirements. In July, the Company announced that it was considering a share buyback of approximately \$30 million, subject to trading conditions, business performance and Board and other necessary approvals.

The Tender Offer launched by the Company today executes on the Company's stated intention to occasionally supplement shareholder returns by buying back shares when sufficient capital is available supported by the operational performance and strong financial position of the Group and wider commodity market conditions. Whilst the Board continues to explore further growth opportunities, it currently considers that, following strong cash generation which is expected to continue through 2023 and beyond, the Company has a level of cash on its balance sheet that is surplus to its short-term requirements.

Having regard to the Group's ongoing earnings, cash flow generation and funding of the potential future capital expenditures of the business, the Board (with the exception of Mr. Issa Al Balushi, who, as the representative on the Board of the Company's largest shareholder, the Oman Investment Authority (through its investment vehicle African Acquisition S.à r.l.) absented himself from deliberations relating to the proposed Tender Offer) unanimously determined that a return of capital is in the best interests of the Company and its Shareholders as a whole. The Tender Offer provides Shareholders with both choice (that is, the discretion to participate) and ability to realise value without incurring fees. The Board believes that a return of capital in the amount proposed represents an effective use of shareholder funds and that the continued strength of the Group's balance sheet, and its cashflow generation after the return of those funds, will be sufficient to pursue the Group's strategic objectives.

## EGM

The Tender Offer is subject to shareholder approval. A circular (the "Circular") containing a notice of an extraordinary general meeting to be held at the Company's offices at 4th Floor, Styne House, Hatch Street Upper, Dublin, D02 DY27, Ireland at 11:00 a.m. on Friday, 8 September 2023 (the "EGM") and details of the resolution (the "Resolution") to be proposed at the EGM will be posted today on the Investors section of the Company's website and will be mailed to Eligible Shareholders. This Circular has been submitted to the UK Financial Conduct Authority via the National Storage Mechanism (the "NSM") and will be available for inspection on the NSM's website at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm). This Circular has also been submitted to Euronext Dublin ("Euronext") and will be available for inspection on Euronext's website at <https://direct.euronext.com/#/oamfiling>.

## The Tender Offer

The Tender Offer is to be effected by Peel Hunt LLP ("Peel Hunt") (acting as principal and not as agent, nominee or trustee) purchasing Ordinary Shares from Eligible Shareholders at the Tender Price by means of on-market purchases. Peel Hunt, in turn, has the right to require the Company to purchase from it, and can be required by the Company to sell to it, such Ordinary Shares at the Tender Price under a Repurchase

Agreement by way of an on-market transaction. All of these transactions will be carried out on the London Stock Exchange's Main Market. All of the Shares purchased by the Company pursuant to the Repurchase Agreement will be cancelled and will not rank for any future dividends including, without limitation, the interim dividend declared by the Company on 15 August 2023 and payable on 13 October 2023.

Each Eligible Shareholder will be entitled to sell up to 5.9% of the Ordinary Shares registered in its name on the Record Date under the Tender Offer, rounded down to the nearest whole number of Ordinary Shares (that being an Eligible Shareholder's "Basic Entitlement"). Any resulting fractional entitlements of Eligible Shareholders will be aggregated and used to satisfy tenders in excess of Eligible Shareholders' Basic Entitlements. Ordinary Shares validly tendered by Eligible Shareholders up to their respective Basic Entitlement will be accepted and repurchased in full. Tendering Shareholders may also be able to participate in the Tender Offer in excess of their Basic Entitlement to the extent that other Eligible Shareholders tender less than their respective Basic Entitlement, resulting in Ordinary Shares in excess of the tendering Shareholders' Basic Entitlement becoming available for sale (known as "Excess Tender Offer Shares"). Any Excess Tender Offer Shares will be purchased from tendering Shareholders *pro rata* to the amount in excess of each eligible shareholder's Basic Entitlement so tendered (save that tenders from Eligible Shareholders who hold no more than 1,000 Ordinary Shares in certificated form will be accepted in full subject to there being capacity to purchase those Ordinary Shares in accordance with the terms of the Tender Offer; if there is insufficient capacity to purchase all of such Ordinary Shares, as many tenders as possible from such Eligible Shareholders will be accepted in full).

The formal terms and conditions of the Tender Offer are set out in the Circular and the Tender Form. The results of the Tender Offer will be announced on 11 September 2023 and published on the Company's website ([www.kenmareresources.com](http://www.kenmareresources.com)).

#### Directors' intentions

The Board considers the Tender Offer and the Resolution to be in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the EGM, as the Directors intend to do for their respective individual beneficial holdings of, in aggregate, 550,129 Ordinary Shares, representing approximately 0.58% of the issued Ordinary Share capital as at the Latest Practicable Date.

The Directors are making no recommendation in relation to participation in the Tender Offer itself. Whether or not Shareholders, Euroclear Participants or CDI Holders decide to tender their interests in Ordinary Shares will depend, amongst other things, on their own individual circumstances, including their own tax position. Shareholders, Euroclear Participants and CDI Holders are recommended to consult their duly authorised independent advisers in making their own decisions. Each of the Directors who holds Ordinary Shares has confirmed to the Board that he or she will not participate in the Tender Offer.

Peel Hunt is acting as broker to the Company in connection with the Tender Offer and the matters described in the Circular.

#### Expected timetable

	2023
Tender Offer opens	15 August
Latest time and date for receipt of Forms of Proxy for the EGM	11.00 a.m. on 15 August
Extraordinary General Meeting	11.00 a.m. on 15 August
Latest time and date for Admitted Institutions to communicate tender instructions to Euroclear Bank	12.00 noon on 15 August
Latest time and date for receipt of Tender Forms from Eligible Shareholders and tender instructions from Euroclear Bank	1.00 p.m. on 15 August
Closing Date for the Tender Offer	1.00 p.m. on 15 August
Record Date for the Tender Offer	6.00 p.m. on 15 August
Announcement of results of the Tender Offer and expected date of debit of tendered Ordinary Shares	11 September 2023
Euroclear Bank accounts credited with Tender Offer proceeds (Settlement Date)	by no later than 11 September 2023
Despatch of cheques for Tender Offer proceeds for certificated Ordinary Shares	by no later than 11 September 2023

Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders (certificated holders only) by no later than

Information in connection with the Tender Offer is available on the Company's website ([www.kenmareresources.com](http://www.kenmareresources.com)).

Capitalised terms used in this announcement (this "Announcement"), which have not been defined have the meanings given to them in the Circular, unless the context provides otherwise.

This Announcement does not constitute, or form part of, an offer or any solicitation of an offer, to purchase or repurchase securities in any jurisdiction or constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

For further information, please contact:

[Kenmare Resources plc](#)

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Important Notice:

This Announcement contains inside information.

#### Forward Looking Statements

Certain statements contained in this Announcement are or may constitute "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur, many of which are beyond the control of the Company and all of which are based on its current beliefs and expectations about future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Group and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this Announcement. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "would", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative of such words or other variations on them or comparable terminology, or by discussions of strategy which involve risks and uncertainties.

#### About Kenmare Resources

[Kenmare Resources plc](#) is one of the world's largest producers of mineral sands products. Listed on the London Stock Exchange and the Euronext Dublin, Kenmare operates the Moma Titanium Minerals Mine in Mozambique. Moma's production accounts for approximately 7% of global titanium feedstocks and the Company supplies to customers operating in more than 15 countries. Kenmare produces raw materials that are ultimately consumed in everyday "quality-of life" items such as paints, plastics and ceramic tiles.

All monetary amounts refer to United States dollars unless otherwise indicated.

Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority in the conduct of investment business, is acting exclusively for the Company and no-one else in connection with the Tender Offer and the matters described in this Announcement. Peel Hunt LLP will not regard any other person as its customer or be responsible to any other person for providing the protections to customers of Peel Hunt LLP nor for providing advice in relation to the transactions and arrangements described in this Announcement.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/450817--Tender-Offer.html>

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