

# The Metals Company

Q126 results

## Q126: Healthy liquidity, more milestones ahead

The Metals Company (TMC) reported Q126 results on 14 May, ending the quarter with net liquidity of c \$164m, slightly better than the \$154m the company expected at FY25 due to c \$9m of tax-related timing differences, which are expected to reverse. The company continues to see cash on hand of \$119.7m plus \$44m of undrawn credit facilities as more than sufficient for the 12 months from 14 May. TMC has achieved major milestones so far this year such as a production agreement with Allseas and the determination by NOAA that TMC's subsidiary TMC USA's consolidated deep-seabed mining application is in full compliance. TMC reiterated its confidence in achieving system commissioning in Q427 and its \$23.6bn post-tax NPV valuation.

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
12/23	0.0	(61.9)	(20.00)	0.00	N/A	N/A
12/24	0.0	(63.5)	(18.00)	0.00	N/A	N/A
12/25	0.0	(49.6)	(12.00)	0.00	N/A	N/A
12/26e	0.0	(47.0)	(12.00)	0.00	N/A	N/A

Note: PBT and EPS (fully diluted) are underlying excluding share-based payments or change in royalty liabilities.

## TMC expects more milestones in the coming months

TMC continues to view 2026 as a year of accelerated execution, with some major milestones achieved in the last few weeks. On 11 May it announced that it had signed a commercial agreement with Allseas for the first offshore nodule recovery operation, with work described by TMC as well-advanced. TMC has had a strategic alliance with Allseas since 2019, and with this agreement Allseas has agreed to fund a significant portion of development costs, to be recoverable through production revenues. On 1 May, TMC announced that NOAA had determined TMC's consolidated deep-seabed application is in full compliance, which is a key step towards an expected permit by the end of Q127. The company expects a consistent cadence of regulatory milestones in the coming months.

## Establishment of the operating model is progressing

TMC's chief innovation and technology officer joined the Q126 call to give a thorough overview of the nodule production system. The operating model is designed for uninterrupted collection, backed up by extensive simulation and modelling. The company expects procurement and subcontracting to start in Q326, followed by fabrication and system integration from Q426 until Q327. The pre-feasibility study for a potential processing plant at the Port of Brownsville site is ongoing. All four of TMC's metals have now been designated by the US as critical and important for national security.

## Q126 results, liquidity and valuation

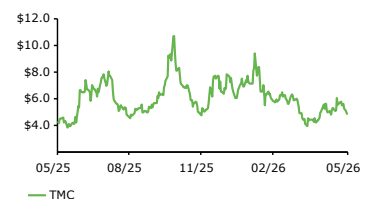
TMC reported an operating loss of \$34.0m (\$18.0m in Q125) in Q126 driven by higher exploration, evaluation, general and administration expenses. Other non-operating items amounted to a positive \$13.5m variance (negative \$2.6m in Q125), which resulted in a net loss per share of \$20.5m that was little changed from the Q125 net loss of \$20.6m. While liquidity at the end of March of c \$164m includes \$9m of tax-related timing benefits, TMC continues to believe liquidity is sufficient for at least 12 months. Its \$23.6bn post-tax NPV valuation is unchanged.

### Metals and mining

20 May 2026

<b>Price</b>	<b>\$5.16</b>
<b>Market cap</b>	<b>\$2,235m</b>
Net cash as at 31 March 2026	\$119.7m
Shares in issue	433.2m
Free float	57.0%
Code	TMC
Primary exchange	NASDAQ
Secondary exchange	N/A

### Share price performance



%	1m	3m	12m
Abs	(8.8)	(12.5)	16.0
52-week high/low		\$11.4	\$3.5

### Business description

The Metals Company is a deep-sea minerals exploration company focused on the collection, processing and refining of polymetallic nodules, containing nickel, copper and cobalt, found on the seafloor in the international waters of the Clarion-Clipperton Zone, 1,300 nautical miles off the coast of Southern California.

### Next events

Q226 results	Mid- August 2026
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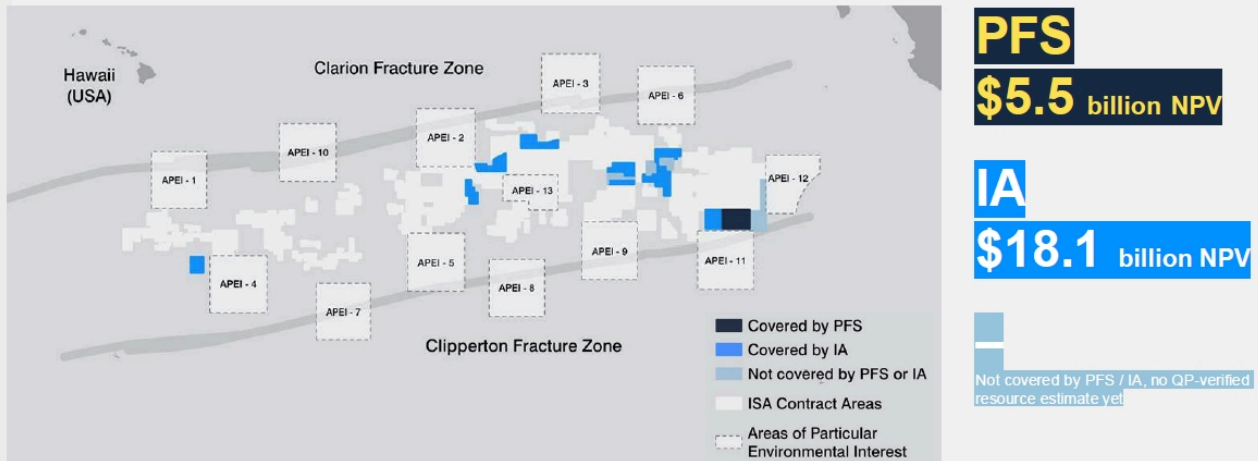
## TMC overview

TMC has c 1.6bn tonnes of existing estimated resource plus an additional c 300Mt resource potential in the Clarion-Clipperton Zone (CCZ), an area of sea floor in the Pacific Ocean between Hawaii and Mexico. Its resource is contained in two contract areas: Nauru Ocean Resources Incorporated (NORI, c 850Mt, sponsoring state Republic of Nauru) and Tonga Offshore Mining Limited (TOML, c 750Mt, sponsoring state Kingdom of Tonga). These contract areas are themselves contained within the larger application areas for which TMC is seeking permits from National Oceanic and Atmospheric Administration (NOAA) through the US regulatory regime. TMC's pre-feasibility study (PFS) is its highest-confidence study (based on proven and probable reserves with a cost accuracy of  $\pm 25\%$ ) and covers c 350Mt of resource in the NORI-D area, while its Initial Assessment (IA) includes inferred, indicated and measured resources (with a cost accuracy of  $\pm 50\%$ ) covering c 1,275Mt of resource. At its August 2025 capital markets day (CMD), the company shared details of these studies and its commercialisation plans. TMC sees production commencing in Q427 and ramping up from c 1Mt/pta in 2028 to c 11Mt/pta in 2031, with annual production to 2044 maintained in the 10–12Mt/pta range. The polymetallic nodules that the company will recover from the sea floor contain nickel, manganese, copper and cobalt.

### Exhibit 1: Estimated resources in the Clarion-Clipperton Zone

Nasdaq: TMC

**Project economics: Two studies cover total estimated 1.6 billion tonne resource, with combined NPV of \$23.6 billion.**



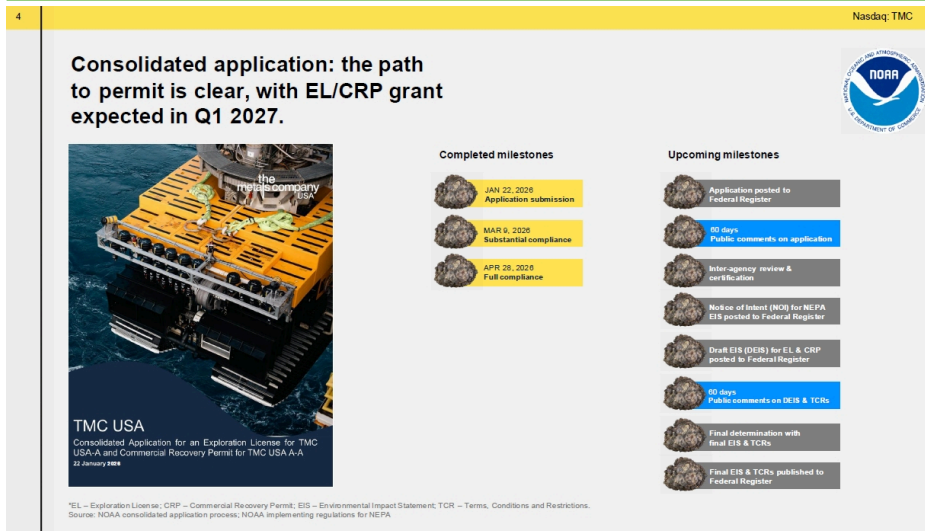
Note: TMC USA applied for an additional exploration area surrounding NORI-D and TOML-F with an expected exploration potential. These areas are excluded from the PFS and IA as no resource definition work has been undertaken by TMC USA on these areas yet.  
Source: SK-1300 Technical Report Summary of Pre-feasibility Study of NORI-D area, August 2025; SK-1300 Technical Report Summary, Initial Assessment of NORI and TOML areas, August 2025

Source: The Metals Company Q126 presentation, 14 May 2026

## Upcoming milestones

TMC expects a consistent cadence of regulatory milestones in the coming months. Management’s ambition is to fill summer 2026 with a healthy supply of newsflow.

### Exhibit 2: TMC’s upcoming milestones

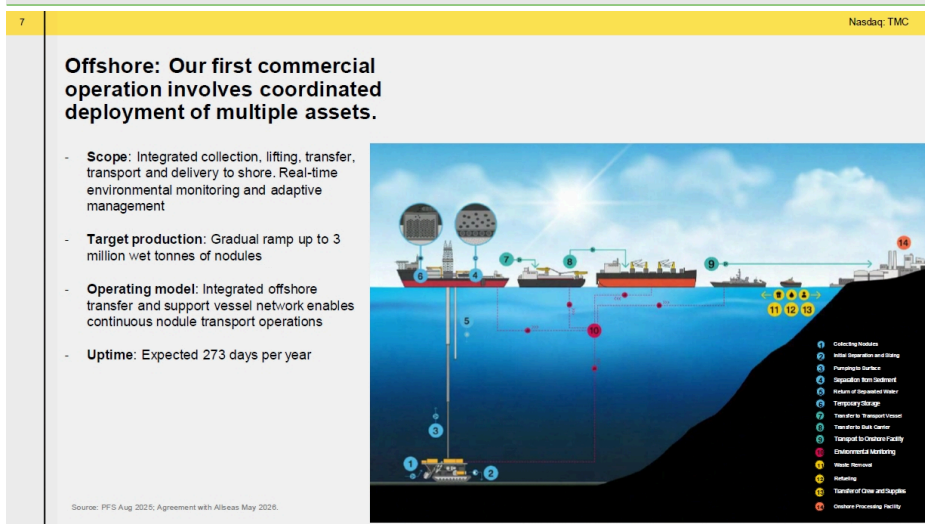


Source: The Metals Company Q126 presentation, 14 May 2026

## TMC’s offshore nodule production system

TMC’s operating model is designed for uninterrupted collection backed up by extensive simulation and modelling. Nodules collected from the sea floor will be lifted to the Little Gem and shipped to shore for processing. According to the company, execution of the programme for the offshore production system is underway: the concept and basic engineering for long lead packages (eg the riser, vessel integration) is substantially advanced and completed by Allseas. TMC expects procurement and subcontracting to start in Q326, followed by fabrication and system integration from Q426 until Q327, putting the company on track for production in Q427.

### Exhibit 3: Integrated offshore nodule production system



Source: The Metals Company Q126 presentation, 14 May 2026

## Valuation: TMC's \$23.6bn post-tax NPV is unchanged

The valuation potential of the business as originally highlighted at its CMD remains (see our August 2025 [update note](#)). TMC suggested a post-tax net present value (NPV) of \$5.5bn for the c 350Mt resource base included in the PFS and a post-tax NPV of \$18.1bn for the c 1,275Mt resource base included in the IA. In total this results in a post-tax NPV of \$23.6bn. These valuations use a post-tax discount rate of 8%, which we continue to consider somewhat low for equity investors given the current stage of development. That said, TMC clearly trades at a significant discount to the current PFS and IA NPV calculations. The company highlights healthy internal rates of return of 27% for the PFS on NORI-D and 36% for the IA covering the undeveloped blocks.

### Exhibit 4: Valuation

		2025	2025	
		<b>PFS</b>	<b>IA</b>	<b>Combined</b>
Approach		Capital-light	Contracted	
Resource base		363 Mt	1,276 Mt	1,639 Mt
Recoverable nodules in wet tonnes		164 Mt	670 Mt	834 Mt
Post-tax NPV <sub>g</sub>		<b>\$5.5B</b>	<b>\$18.1B</b>	<b>\$23.6B</b>
IRR (real terms)		27%	36%	
Revenue over life of project		\$69.9B	\$298.9B	\$368.8B
Revenue per tonne of dry nodules, steady state		\$595	\$605	
EBITDA over life of project		\$29.2B	\$171.9B	\$201.1B
EBITDA per tonne of dry nodules, steady state		\$254	\$347	
EBITDA margin per tonne, steady state		43%	57%	
C1 Cash cost per tonne of nickel incl. byproduct credits		\$1,065	-\$6,939	
All-In Sustaining Cost (AISC) per tonne of nickel incl. byproduct credits		\$2,569	-\$5,903	

Note: "Steady state" defined as 2031-2043 for 2025 PFS and 2039-2058 for 2025 IA.  
Source: SK-1300 Technical Report Summary of Pre-feasibility Study of NORI-D area, August 2025; SK-1300 Technical Report Summary, Initial Assessment of NORI and TOML areas, August 2025

Source: The Metals Company Q126 presentation, 14 May 2026

**Exhibit 5: Financial summary**

	2023	2024	2025	2026e
Year to December (\$m)	US GAAP	US GAAP	US GAAP	US GAAP
<b>INCOME STATEMENT</b>				
<b>Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Exploration & evaluation costs	(44.8)	(40.2)	(24.9)	(22.0)
General & administrative costs	(18.4)	(20.9)	(24.2)	(25.0)
<b>EBITDA</b>	<b>(59.7)</b>	<b>(53.8)</b>	<b>(222.2)</b>	<b>(46.9)</b>
<b>Underlying operating profit</b>	<b>(63.2)</b>	<b>(61.0)</b>	<b>(49.2)</b>	<b>(47.0)</b>
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0
Exceptionals	0.0	1.8	(179.2)	0.0
Share-based payments	(9.2)	(20.2)	(90.9)	(30.0)
<b>Reported operating profit</b>	<b>(72.4)</b>	<b>(79.5)</b>	<b>(319.3)</b>	<b>(77.0)</b>
Net Interest	1.3	(2.4)	(0.4)	0.0
Exceptionals, warrants etc	(2.6)	0.0	0.0	0.0
<b>Profit Before Tax (norm)</b>	<b>(61.9)</b>	<b>(63.5)</b>	<b>(49.6)</b>	<b>(47.0)</b>
<b>Profit Before Tax (reported)</b>	<b>(73.7)</b>	<b>(81.9)</b>	<b>(319.7)</b>	<b>(77.0)</b>
Reported tax	(0.0)	(0.0)	(0.1)	0.0
<b>Profit After Tax (norm)</b>	<b>(62.2)</b>	<b>(63.5)</b>	<b>(49.6)</b>	<b>(47.0)</b>
<b>Profit After Tax (reported)</b>	<b>(73.8)</b>	<b>(81.9)</b>	<b>(319.8)</b>	<b>(77.0)</b>
<b>Net income (normalised)</b>	<b>(62.2)</b>	<b>(63.5)</b>	<b>(49.6)</b>	<b>(47.0)</b>
<b>Net income (reported)</b>	<b>(73.8)</b>	<b>(81.9)</b>	<b>(319.8)</b>	<b>(77.0)</b>
EPS - normalised (c)	(22)	(20)	(13)	(13)
EPS - normalised fully diluted (c)	(20)	(18)	(12)	(12)
EPS - basic reported (c)	(26)	(25)	(83)	(21)
Dividend (c)	0	0	0	0
<b>BALANCE SHEET</b>				
<b>Fixed Assets</b>	<b>60.1</b>	<b>57.7</b>	<b>60.9</b>	<b>50.5</b>
Intangible Assets	43.2	43.0	43.0	43.0
Tangible Assets	2.8	2.7	2.6	7.5
Investments & other	14.2	12.0	15.4	0.0
<b>Current Assets</b>	<b>8.8</b>	<b>5.3</b>	<b>120.7</b>	<b>65.8</b>
Stocks	0.0	0.0	0.0	0.0
Debtors	0.0	1.9	3.0	0.0
Cash & cash equivalents	6.8	3.5	117.6	65.8
Other	2.0	0.0	0.0	0.0
<b>Current Liabilities</b>	<b>(31.3)</b>	<b>(54.5)</b>	<b>(46.0)</b>	<b>(46.0)</b>
Creditors	(31.3)	(42.8)	(46.0)	(46.0)
Tax and social security	0.0	0.0	0.0	0.0
Short term borrowings	0.0	(11.8)	0.0	0.0
Other	0.0	0.0	0.0	0.0
<b>Long Term Liabilities</b>	<b>(26.6)</b>	<b>(25.6)</b>	<b>(169.0)</b>	<b>(24.3)</b>
Long term borrowings	0.0	0.0	0.0	0.0
Other long term liabilities	(26.6)	(25.6)	(169.0)	(24.3)
<b>Net Assets</b>	<b>10.9</b>	<b>(17.1)</b>	<b>(33.4)</b>	<b>45.9</b>
Minority interests	0.0	0.0	0.0	0.0
<b>Shareholders' equity</b>	<b>10.9</b>	<b>(17.1)</b>	<b>(33.4)</b>	<b>45.9</b>
<b>CASH FLOW</b>				
Operating Cash Flow	(59.7)	(53.8)	(222.2)	(46.9)
Working capital	(0.8)	12.4	0.0	0.0
Exceptional & other	0.9	9.6	168.7	0.0
Tax	0.0	0.0	(0.1)	0.0
<b>Net operating cash flow</b>	<b>(59.6)</b>	<b>(31.8)</b>	<b>(53.6)</b>	<b>(46.9)</b>
Capex	(0.5)	(0.5)	(0.2)	(5.0)
Acquisitions/disposals	0.0	0.0	0.0	0.0
Net interest	0.0	(0.1)	(0.4)	0.0
Equity financing	20.1	28.9	168.4	0.0
Dividends	0.0	0.2	0.0	0.0
Net Cash Flow	(40.0)	(3.3)	114.2	(51.9)
<b>Opening net debt/(cash)</b>	<b>(46.8)</b>	<b>(6.8)</b>	<b>(3.5)</b>	<b>(117.6)</b>
FX	0.0	0.0	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0
<b>Closing net debt/(cash)</b>	<b>(6.8)</b>	<b>(3.5)</b>	<b>(117.6)</b>	<b>(65.8)</b>

Source: Company data, Edison Investment Research

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