



May 08, 2024

## THE LONG PULL: MOHO Idea Lunch #4 & AFM Meeting Notes

Big thanks to those who joined live for Tuesday's *MOHO Idea Lunch* webinar on how I use Koyfin in my investment research process. I've received great feedback so far.

Remember, Collective members get 20% off their Koyfin subscription by using [this code](#).

The point of the video is to get us to speak the same language, use similar methods, and hunt for new ideas in complementary ways. That's how we turn over the most rocks and find ideas you won't see on Twitter or SeekingAlpha.

Watch the entire webinar [here!](#)



I've also included the screener criteria for each screen I run, which you can see below.

## Screen 1: Global Relative Cheapest

Trading Region	All items selected	×	100,600 Matches
Primary Security	Yes No	×	55,720 Matches
Country	134 selections made	×	43,595 Matches
Industry	71 selections made	×	39,151 Matches
Description ⓘ	"Exact Phrase"; add "+" before words to require them, "-" to exclude	×	39,151 Matches
+ Add Universe Criteria			

### Filter results by the following criteria

Add constraints to filter by price, technical, or fundamental data series.

Market Cap	USD	>	50.0M	-	>	3,056,981.7M	×	17,909 Matches
EV/EBITDA NTM (Global R)	>	1	-	>	20	×	1,710 Matches	
EV/GP (Global R)	>	1	-	>	20	×	811 Matches	
EV/EBIT NTM (Global R)	>	1	-	>	20	×	545 Matches	

## Screen 2: Cheap vs. Own History

Trading Region	2 selections made	×	55,699 Matches
Primary Security	Yes No	×	22,625 Matches
Industry	72 selections made	×	19,056 Matches
Country	139 selections made	×	18,563 Matches
Description ⓘ	"Exact Phrase"; add "+" before words to require them, "-" to exclude	×	18,563 Matches
+ Add Universe Criteria			

### Filter results by the following criteria

Add constraints to filter by price, technical, or fundamental data series.

EV/GP (10Y R)	>	1	-	>	20	×	2,423 Matches
EV/EBIT NTM (10Y R)	>	1	-	>	20	×	690 Matches
EV/EBITDA NTM (10Y R)	>	1	-	>	20	×	579 Matches

## Screen 3: Cheap vs. Global Sector

Trading Region	4 selections made	×	63,549 Matches
Primary Security	Yes No	×	26,867 Matches
Description ⓘ	"Exact Phrase"; add "+" before words to require them, "-" to exclude	×	26,867 Matches
Country	134 selections made	×	25,201 Matches
Industry	78 selections made	×	20,994 Matches
+ Add Universe Criteria			

### Filter results by the following criteria

Add constraints to filter by price, technical, or fundamental data series.

EV/GP (Global Sec R)	>	1	-	>	25	×	2,444 Matches
EV/EBIT NTM (Global Sec R)	>	1	-	>	25	×	656 Matches
EV/EBITDA NTM (Global Sec R)	>	1	-	>	25	×	556 Matches

## Screen 4: Relative Strength Monsters

Trading Region	All items selected	×	100,600 Matches
Primary Security	Yes No	×	55,720 Matches
Country	132 selections made	×	42,625 Matches
Industry	72 selections made	×	39,879 Matches
+ Add Universe Criteria			

### Filter results by the following criteria

Add constraints to filter by price, technical, or fundamental data series.

Market Cap	USD	>	20.0M	-	>	3,056,424.3M	×	23,862 Matches
Total Return 3M (Global Sec R)		>	80	-	>	100	×	3,522 Matches
Total Return 6M (Global Sec R)		>	80	-	>	100	×	2,529 Matches
Total Return 1Y (Global Sec R)		>	80	-	>	100	×	1,776 Matches
Total Revenues (LTM)	USD	>	0.0M	-	>	200,736.9M	×	1,692 Matches

Play around with these screeners. Adjust different metrics until you find something unique. That's how we turn over all the rocks. @Brent, I'm looking at you with your micro-cap <\$10M ideas!

We also have next month's webinar on the books ... Alex G will discuss his YTD classical trading results and lessons learned from implementing new systems.

If you're not in the #classical-charting channel, Alex G has killed it YTD. I want to pick his brain to see how he's doing it, what he worries about, and how he plans to improve those results.

I can't wait.

These MOHO Idea Lunches are only as good as a) the guests and b) the free-form Q&A that follows the presentation.

Don't be shy. Speak up. Ask questions. It's how we all get smarter and more profitable.

Alright, now onto some meeting notes with AFM CEO Maritz Smith.

## **AFM Meeting Notes w/ CEO Maritz Smith**

This week, my friend Mike Alkin (the [OG uranium bull](#)) sent his analyst, Tom, to meet AFM CEO Maritz Smith and pick his brain on all things tin. Mike let me know beforehand, so I prepared some questions.

Tom was kind enough to ask every question and sent me a detailed outline with Maritz's answers.

*\*Note: Please do not share these notes outside the Collective community.\**

The best part about this meeting is that there's a chance I'll get Maritz on the podcast. There's a lot of noise in the tin market, especially around M23 risks, and I'd love to cut through that noise and hear from the man *literally* on the ground.

I hope you enjoy these as much as I did. It makes me *more bullish* on AFM (emphasis added).

### **Dividends/Buybacks/Debt Paydown**

- Thinks \$80-\$100m CAD is the optimal gross debt load (\$100m CAD now). With ~\$55m cash, that leaves leverage at 0.6x (EV/EBITDA 7.5x)
- Dividend currently 0.06CAD per share or ~5% yield at current stock price
- As they (hopefully) generate increased cash flow, **he seemed constructive of increasing the dividend and even adding a buyback**

### **Broader Tin market**

- 2 years ago, International Tin Association provided that the 90th Percentile of the cost curve was \$26k/t. Add 10 to 15% inflation you get to nearly \$30k/t. Add another 10-15% margin for profitability, **you need ~\$33k/t at a minimum**. These

entities that want to go with greenfield or even brownfield also want to see sustained prices and not just blips.

- He noted further than the volatility will remain but **the band seems to have increased**. Pre-covid prices were ~\$15k to \$30k. Now that band has shifted to \$25k to \$45k.
- Tin is more unknown, and higher barrier to entry. Critical minerals like cobalt, graphite and lithium are much more known and easier barriers to entry.

## Current tin projects in global pipeline

- Doesn't think they will produce at the competitive costs that Alphamin can (AFM AISC \$15k/t). These projects need a much higher but more importantly, sustainable tin price to come online
- Asia (ex China)– technically challenged and 1/3rd of tin production
- **Malaysia (production flat to declining):** 150 years where they could “move sand around” and get tin quite easily. Nearly all has been mined. They now must go through hard rock and that will be sizable capex and complex
- **Indonesia (production flat to declining):** major state owned producer who has now had to revert to mining offshore as all/nearly all of their onshore material has also been mined.
  - They are evaluating 3 hard rock beds but have been for 3 years now and no real progress. With export bans he views it as more of a witch hunt and will eventually still export. They are trying to be more methodical about auditing/tracking
- **Myanmar:** military-run and said operating unethically at best.
- **China – a black box:** 1/3rd of production
  - Not really exploring and their production levels are leveling off. They are also 50% of demand so they need to continue to import. Did acknowledge China could all of a sudden create programs to increase supply but has yet to see much action on this.
- **Recycling:** Used to be far easier. Views it as necessary given increasing demand fundamentals or else there is a big problem.

## Consumer Sentiment on Tin

- Feels consumers never thought of tin as something that was worrisome to obtain and that “there is plenty of tin out there” – SOUNDS FAMILIAR TO NUCLEAR FUEL UTILITIES. He says could see a panic as we are getting to a worrisome deficit situation

## M23 & The Rebels

- Main point is the composition of the countries (DRC, Rwanda & Uganda) leaves them protected.
- Tin also cannot be “smuggled” like gold or diamonds (according to him). So even if they do take it, they wouldn’t be able to realize economic value

## Investor Outreach and Coverage

- 35 online meetings per quarter
- Annual roadshow with BMO (NYC, Toronto, Boston, Vancouver) and feels they could / should do it more often.
- Says there is a young analyst in Toronto that seems eager to try to cover Alphamin / Tin – he did not elaborate as to what firm.
- Says it’s harder because there isn’t a real need for them to conduct capital raising and makes it harder to get coverage

Man, doesn’t that get you fired up??

Until next week.

Your Value Operator,

Brandon