

# THE AUSTRALIAN BUSINESS REVIEW

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## Nation's little-known coal baron



NEWSWIRE/TERTIUS PICKARD

**Matt Latimore at his office in Brisbane: 'We intend to continue to invest in the Australian resources sector'**

### EXCLUSIVE

JOHN STENSHOLT

Matt Latimore might be the last of the big coal barons in Australia.

The little-known owner of the privately held M Resources combines a penchant for fast Ferraris with a deep interest in bird watching, but most of all has made a big success of marketing and trading metallurgical coal.

A critical ingredient in steel production, it underpins an empire spanning mines, logistics such as rail and port infrastructure, and other related assets he says is now turning over a combined \$1bn in revenue annually. It

has all been built up in a series of deals in a little over a decade, capped last week with the completion of a transformative \$US1.65bn (\$2.4bn) play for Latimore's Brisbane-based M Resources to acquire South32's Illawarra Metallurgical Coal project.

That transaction, in a joint venture with Indonesia's billionaire Widjaja family and their Singapore-registered GEAR group, is the biggest yet for the 52-year-old Latimore, and cements his belief in metallurgical coal's future as both a commodity and investment.

There are only a handful of Australian coal billionaires, including Queenslanders Chris

Wallin and Sam Chong, on The List – Australia's Richest 250.

Latimore just might be in their league now too.

His M Resources is managing the Illawarra joint venture. It initially took a 30 per cent stake when the deal was first announced by South32 in late February, though Latimore has more recently offloaded a 66 per cent share of his stake to Indian steel-making giant JSW Steel for an initial \$US120m plus another \$US50m by 2030.

The Illawarra transaction is just the latest in a series of deals Latimore has pulled off in recent years as part of a big bet he has made on the demand for coal lasting a lot longer than big mining

companies, some under pressure from activist shareholders wanting them to exit coal, are prepared to keep investing for.

In his first major interview, Latimore tells The Australian he believes "quite strongly in the met coal outlook" and that it will continue to be M Resources' biggest asset, but also signalled an appetite for deals in other mining assets after bedding down the Illawarra Coal deal.

"We intend to continue to invest in the Australian resources sector and keep growing aggressively," Latimore says.

"We are very interested in looking at other types of commodity businesses. I would

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# Introducing Matt Latimore, the nation's little-known coal baron

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love to get into iron ore if the right asset showed up and we could act decisively and quickly to participate in that, or scrap metal, but even other commodities. So we'd not just be in metallurgical coal but that would still be the foundation of our business."

M Resources also last week made a foray into vanadium, used as a steel additive, buying a 50 per cent stake in V205, a private vanadium company with resources in Queensland's Julia Creek region.

Latimore also nominates Anglo American's coal steelmaking assets in Queensland as potential targets (Anglo has signalled it will sell \$US5bn of Australian coal assets after fending off BHP's takeover attempt earlier this year) and also wonders whether BHP will also put more of its coal mining assets on the market in the future.

Any moves would likely be similar to the Illawarra deal, which is the latest of several Latimore has pulled off with the Widjaja family, whose wealth has been valued at more than \$US10bn.

M Resources will manage the joint venture, building on an asset base that already includes a large shareholding in the ASX-listed coal miner Stanmore – which Latimore is a director of and which M Resources sells coal for and trades with – and other publicly traded companies such as mining services firm Metarock (Latimore holds a 55 per cent stake) and Bowen Coking Coal, which M Resources also has exclusive marketing rights for.

M Resources also owns a 50 per cent share and management rights in OneRail, the rail and logistics business acquired from Aurizon for \$888m last year. (Indonesian partners own the other half.)

That business earned about \$135m EBITDA last year.

M Resources has a mining services division and a mining rehabilitation and closure service, though coal trading is the heart of its business with 60 staff in Brisbane and offices around the world including Britain, the US, Singapore, Switzerland, South America

and India. Including Stanmore, M Resources will handle more than 20 million tonnes of coal this year, which Latimore says puts it among the top four global exporters.

"Back in 2016 we were doing about 2.5 million tonnes, so our growth has roughly been tenfold since then.

"We are exporting out of all the major terminals – Mackay, Abbot Point, Gladstone, Newcastle – and now with Illawarra we will export out of the iconic Port Kembla terminal," Latimore says.

"Revenue for M Resources is currently in excess of a billion dollars and our assets under management would be several billion dollars."

All of which is a far cry from when Latimore formed M Resources in 2011 after a career in commodity trading.

Latimore hails from Wingham in the Mid North Coast region of NSW.

His father was a dairy farmer who later ran various small businesses in town and where he and Latimore's mother – recently named the member of the year at her local gym – still live.

It was there also that Latimore was introduced to another of his great loves, Ferraris. When he was 15 his family hosted an exchange student from Ferrari's hometown Modena, who brought Ferrari gear as a gift. Latimore has been hooked ever since and now owns about a dozen vintage and modern models.

"I love the engineering and style of the cars," he says, adding that when taking part in Ferrari cavalcade driving events he displays "the Aussie flag proudly on the side of my car and blast Cold Chisel through the speakers. It's good to have a passion."

His other passion is bird watching, which started with a son's school project at age seven that required documenting something in his backyard.

"We chose birds ... and 10 years later I've photographed 500 Australian birds," Latimore says.

Latimore left Wingham aged 18 to move to Queensland where he earned a degree in international business at Griffith University and then joined Mitsui & Co – in-

cluding a stint in Japan for a year – working at their metallurgical coal business.

After six years he joined Wesfarmers, running their coal marketing, sales and logistics in Australia and internationally.

Eleven years later he went out on his own to form M Resources, named for his eldest son Marcus – who he wants one day to take over the business.

"When we started in 2011 we fulfilled a niche in the market. At that time the metallurgical coal market was changing in structure from long term pricing to short term pricing, and so we helped form that with lots of spot deals and index formation, and a lot of coal trading," Latimore explains.

"Then in 2016 ... we pivoted into making investments into coal companies and then having the marketing rights associated with that."

Latimore's dealings with Stanmore (he holds a stake worth about \$130m) have been particularly lucrative and transformative for both parties.

He joined with Stanmore to buy the Millennium coal mine in Queensland in 2021, running the mine and selling its coal.

It was a success and he then helped arrange Stanmore's \$1.6bn purchase of two coal mines from BHP the following year. Surging demand for metallurgical coal helped those mines generate \$1bn in operating profits within the first year.

According to Stanmore's most recent annual report, it paid Latimore's businesses \$US53m for marketing and logistics services last year and \$US42m in 2022, while One Rail also provides rail services.

It was at Stanmore that Latimore's relationship with the Widjaja family, Stanmore's biggest shareholder, has been cemented, and Latimore says countries like Indonesia and India will continue to drive the need for metallurgical coal.

"The demand for the product is remaining very strong, and we see that through the continuation of steel mills being built, particularly through Southeast Asia and India, urbanisation and industrialisation keeps growing."