Almonty CEO Lewis Black on 498% Revenue Growth and Tungsten's Earnings Power Ahead

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"What kills tungsten demand is absence," Lewis Black, Chairman, President and CEO of Almonty Industries Inc. (NASDAQ: ALM | Frankfurt: ALI1), told InvestorNews host Tracy Hughes during a recent InvestorTalk interview, reiterating a warning from his August 30 market commentary. In his view, higher prices alone do not stop most manufacturers because tungsten represents a relatively small portion of the cost of a finished product. The greater danger is physical unavailability: when the material cannot be obtained, production stops and, as Black warned, "a shuttered plant rarely reopens."

That warning came as Almonty reported a sharp increase in revenue and operating profitability. Second-quarter 2026 revenue rose 498% year over year to C$43.0 million, driven by record tungsten pricing, while income from mining operations reached C$26.1 million and Adjusted EBITDA increased to C$17.6 million from negative C$4.8 million a year earlier. The company reported a gross margin of 60.7%, although its C$181.8 million in net income included C$173.1 million of non-cash gains arising from the revaluation of derivative and warrant instruments.

Black called the quarter "a first look at the prospective earnings power that Almonty has spent more than a decade building toward."

Black attributed the operating performance to the return of price discovery after decades in which, he argued, tungsten's value was held down by Chinese dominance of the market. Almonty survived the lower-price period by concentrating on operating efficiencies at its Panasqueira Mine in Portugal, which has been producing since 1896. "Price should not be used as a mask for inefficiency," Black said. "Everyone can be heroic in a high price."

The balance sheet changed just as dramatically, but for a different reason. Almonty's cash balance was C$1.227 billion at June 30, up from C$268.4 million at the end of 2025, principally following the June closing of a US$800 million offering of 2.25% convertible senior notes due 2031. The notes have an initial conversion price of approximately US$27.40 per share, while related capped-call transactions were structured with an initial cap price of US$41.36 to reduce potential dilution or offset certain cash payments upon conversion, subject to the terms of those arrangements.

Black presented the company's subsequent share-repurchase authorization as another element of that dilution strategy. Almonty may purchase as many as 14.4 million common shares, approximately 5% of the shares outstanding as of August 14, for an aggregate price of up to US$300 million during the 36 months ending August 24, 2029. The authorization does not require the company to buy any particular number of shares, and the timing remains at Almonty's discretion. Black said the program could ultimately be funded partly from Sangdong earnings and emphasized that compensation at Almonty is not tied to short-term share-price performance.

Almonty has also concentrated its public-market presence. Its TSX delisting took effect after trading closed on July 31, while it was removed from the Australian Securities Exchange after trading closed on September 1. The shares continue to trade on

Nasdaq and the Frankfurt Stock Exchange. Black said trading activity had migrated overwhelmingly to Nasdaq, making the additional compliance and administrative expense of the smaller listings increasingly difficult to justify.

The operational centre of the discussion was the Sangdong Tungsten Mine in South Korea. In July, Almonty extended its Phase I offtake agreement with Global Tungsten & Powders LLC, a member of Austria's Plansee Group, from 15 to 21 years. The amendment increased contracted volume by 40% to 4.41 million metric tonne units and improved pricing across all contracted volumes by approximately 6.3%. The agreement covers approximately 90% of anticipated Phase I production.

Black interpreted the offtaker's willingness to extend the agreement and improve pricing before receiving its first shipment as a significant market signal. GTP is one of the largest Western producers of tungsten powders and supplies U.S. defense and industrial customers. In Black's view, the revised terms reflect concern about how few new Western tungsten projects are likely to clear the technical, permitting and financing hurdles required to enter production. That interpretation is Black's, but the longer term, larger commitment and higher pricing give Almonty substantially greater contracted revenue visibility as Sangdong ramps up.

Almonty announced the commencement of processing-plant throughput operations at Sangdong on July 1, and the mine remains in commissioning and ramp-up. Black said shareholders should be watching for the production and shipment of material during the coming quarter, while cautioning that equipment failures and repairs are normal parts of commissioning. "We've done this before. It's not our first rodeo," he said.

The timing carries wider consequences for the U.S. defense supply chain. Effective January 1, 2027, U.S. defense-acquisition restrictions expand to cover the tungsten supply chain from the mining or production of ore and feedstock through tungsten metal powder, tungsten heavy alloy and covered components originating in China, Russia, Iran and North Korea, subject to specified exceptions. A July executive order also sharply restricts waivers, generally requiring an accepted mitigation plan that identifies the non-compliant source, documents efforts to obtain compliant material and provides a timetable for removing it from the supply chain.

Black said some vertically integrated companies are relatively well prepared for the change, while others are not. He suggested that small-scale production from parts of Central Africa and South America could provide some additional supply if Western buyers can secure material in competition with China. The challenge, he said, is not merely locating tungsten but obtaining it in compliant form, processing it and delivering it to industrial customers at scale.

That challenge will also form part of the geopolitical background when President Donald Trump and Chinese President Xi Jinping are scheduled to meet in Washington on September 24. Black does not expect China simply to restore broad access to raw materials. “I expect them to provide finished components downstream,” he said, particularly for less visible but indispensable applications such as cutting inserts, agricultural wear parts and drill bits.

For Black, the central distinction is between the price of tungsten and the availability of tungsten. Manufacturers can often absorb higher raw-material prices when only a small amount is required in the final product; they cannot manufacture without the material itself. This is why he views dependable non-Chinese production as essential not only to defense and semiconductors, but also to the less prominent industrial products that keep factories, farms and mines operating.

The next quarter will therefore test the physical execution behind Almonty’s financial transformation. Black said the company expects Sangdong to move through commissioning toward production and shipments, and he indicated that Almonty is preparing additional near-term measures in response to requests from the Western industrial base. “We’re obsessed with margin. We’re obsessed with innovation because that’s what’s kept us alive,” he said.

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