



## KUMBA IRON ORE LIMITED

Kumba Iron Ore Limited

A member of the Anglo American plc group  
(Incorporated in the Republic of South Africa)

(Registration number 2005/015852/06)

Share code: KIO

ISIN: ZAE000085346

("Kumba" or "the Company")

### Reviewed interim results for the six months ended 30 June 2022

#### KUMBA CONTINUES TO DELIVER SUSTAINABLE VALUE

Kumba Iron Ore has delivered a resilient performance, including a solid financial return while navigating the operational and market-related challenges experienced in the first six months of 2022.

Speaking at the company's interim results presentation, Mpumi Zikalala, Chief Executive of Kumba Iron Ore said, *"The first six months have confirmed that as we set the foundations for further value delivery, we need to build a business that is not only resilient but that demonstrates operational excellence. We have robust fundamentals in the quality of our ore body and our assets. We have the infrastructure and technology in place. With the support of our people and our strategic partners, we are in a strong position to continue to enhance returns, thereby ensuring that all our stakeholders benefit from the continued success of Kumba."*

#### Highlights from the first half of 2022 include:

##### Delivering sustainable value

- ROCE of 98%
- Interim cash dividend of R28.70 per share
- Attributable free cash flow of R9.7 billion

##### Caring for our people and our communities

- Over six years of fatality-free production
- Zero occupational diseases
- Over seven years without any level 3-5 environmental incidents

##### Resilient financial performance

- Average realised FOB export price of US\$136/wmt, 15% above benchmark
- EBITDA margin of 54%
- Closing net cash of R17.6 billion

"Kumba delivered an EBITDA of R23.1 billion and reached more than six years of fatality-free production in the first half of the year, reflecting the outstanding commitment of our people to safety and delivery, amidst challenging operational and market headwinds, including a more than 35% decrease in iron ore prices.

"Kumba achieved this performance despite 13% lower production due to adverse seasonal weather conditions, and equipment and logistics availability challenges, coupled with a safety reset initiative impacting operational activity. These operating headwinds come at a time of increased supply chain disruptions and rising cost inflation, in part due to the conflict in Ukraine, as well as weaker steel demand following extended Covid-19 lockdowns in China and a softer global economic growth outlook.

"Against this backdrop, our high-quality products, supported by focused marketing activity, continued to attract a market premium, resulting in an average realised free on board export price of US\$136 per wet metric tonne, 15% above the iron ore benchmark price, contributing towards an EBITDA\* margin of 54% and attributable free cash flow\* of R9.7 billion. This solid financial performance reflects Kumba's business resilience, giving our Board the confidence to declare an interim cash dividend of R28.70 per share, representing a payout ratio of 80% of headline earnings.

"A key priority is executing towards the ambitious goals set out within our Sustainable Mining Plan, particularly in relation to energy efficiency and reducing greenhouse gas emissions. Kumba is part of Anglo American's regional renewable energy ecosystem, which includes the plan to develop a 65MW solar plant at Sishen. The energy ecosystem is expected to meet Anglo American's operational electricity requirements in South Africa by supplying 100% renewable electricity by 2030 - a major step towards carbon neutral operations by 2040. The provision of a clean and reliable energy supply will increase the resilience both of Kumba and the local electricity supply systems while helping decarbonise the country's energy supply and supporting our commitment to a Just Energy Transition.

"Our Kapstevel South project at Kolomela to improve production volumes and our ultrahigh dense media separation technology to improve our premium product offering are on schedule for commissioning in the second half of 2023. These projects demonstrate our commitment to investing in our business's long term sustainability by further enhancing product quality and output, while also contributing to a lower carbon footprint.



## KUMBA IRON ORE LIMITED

“There has been good momentum on initiatives to bolster an inclusive workplace where all our people feel valued, respected, and supported to be their best. We are also making good progress in improving the gender balance in the workplace, with women now representing 26% of our workforce and 29% of our management team. With the prevalence of gender-based violence in South Africa and the challenges women in mining face globally from historical systems of exclusion, we are actively driving our zero-tolerance to gender-based violence, bullying, harassment and victimisation as part of our Living with Dignity programme. These efforts are underpinned by strengthened policies, systems and procedures, and education and awareness activities to help eradicate all forms of violence at work, home, community and school.

“To further support empowerment and recognise the valuable contribution of our people who sustain our business, we are delighted with the implementation of our new hybrid employee share option scheme, which includes a vesting and an evergreen component. This will deliver a tangible and lasting benefit to our thousands of employees whose commitment makes our business success possible.

“The first six months have confirmed that as we set the foundations for further value delivery, we need to build a business that is not only resilient but that demonstrates operational excellence. We have robust fundamentals in the quality of our ore body and our assets. We have the infrastructure and technology in place. With the support of our people and our strategic partners, we are in a strong position to continue to enhance returns, thereby ensuring that all our stakeholders benefit from the continued success of Kumba.”

**The complete Interim Results are available on our website and attached.**

Centurion  
26 July 2022

Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)

For further information, please contact:

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#### Notes to editors:

Kumba Iron Ore Limited, a member of the Anglo American plc group, is a leading value-adding supplier of high quality iron ore to the global steel industry. Kumba produces iron ore in South Africa at Sishen and Kolomela mines in the Northern Cape Province. Kumba exports iron ore to customers around the globe including in China, Japan, South Korea and a number of countries in Europe and the Middle East.  
[www.angloamericankumba.com](http://www.angloamericankumba.com)

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and steelmaking coal, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people’s lives.  
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