AngloAmerican

Kumba Iron Ore
2023 Interim results

25 July 2023

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Alternative Performance Measures

Throughout this presentation a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined or specified under IFRS (International Financial Reporting Standard), which are termed Alternative Performance measures (APMs). Management uses these measures to monitor the Group's financial performance alongside IFRS measures to improve the comparability of information between reporting periods and business units. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position of cash flows reported in accordance with IFRS. APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.

Production and sales volumes, prices and C1 costs are reported in wet metric tonnes. Kumba product is shipped with approximately 1.6% moisture content.

H1 2023 results agenda

H1 2023 overview
Mpumi Zikalala

Operational performance
Mpumi Zikalala

Financial results
Bothwell Mazarura

Looking ahead
Mpumi Zikalala

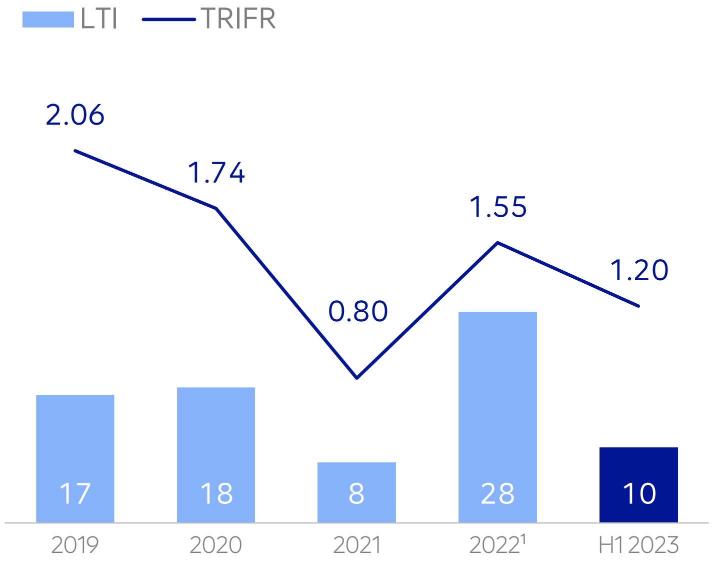
H1 2023 overview

Safety	EBITDA	Attributable free cashflow
1.20 TRIFR	R19.8bn	R7.9bn
H1 2022: 1.12	H1 2022: R23.1bn	H1 2022: R9.7bn

Production	Enduring stakeholder value	Dividend declared
18.8Mt	R28.5bn	R7.3bn
H1 2022: 17.8Mt	H1 2022: R31.0bn	H1 2022: R9.2bn

Focus on safe and stable operations

Safety

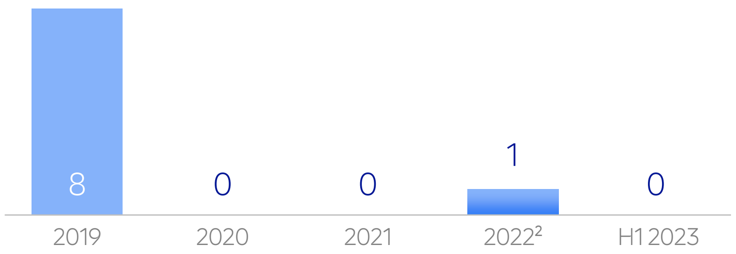


Strengthened and simplified critical controls, and awareness programmes

Increased leadership and contractor engagement to embed safe work practices

Health & wellness

Occupational diseases (new cases)

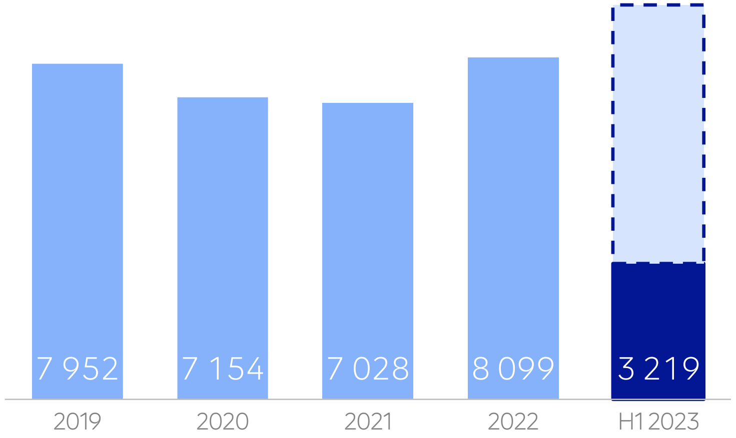


Exposure reduction programmes to reduce workplace health risks

Chronic disease management, cardiovascular and mental health

Environment

Freshwater used (ML)



6.8BL freshwater supplied to communities, H2 reflects improved dewatering capability

Concurrent rehabilitation and biodiversity conservation to achieve net positive impact

Note: LTI: Lost Time Injuries; TRIFR: Total Recordable Injury Frequency rate
1. One lost time injury subsequently confirmed for 2022
2. One occupational disease case (musculoskeletal disorder) subsequently confirmed for 2022

Sustainability integrated in the way we operate

Healthy environment

Solar PV environmental authorisation granted, earthworks commence H2 2023

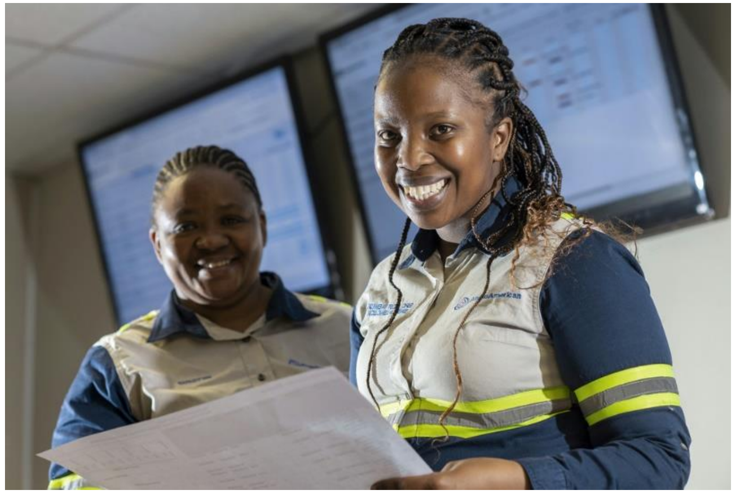
Eight of ten LNG ships launched and CO_2 reduction MoU with 30% of customers

Thriving communities

Dept. of Health MoU improves collaboration on health and wellbeing projects

AASA education programme at 45 schools with Phase 2 implemented in Q2

Trusted corporate leader



Safety Health and Sustainable Development committee created

Women in senior management improved from 24% to 31%

Enduring stakeholder value of R28.5bn

Income tax
R2.6bn

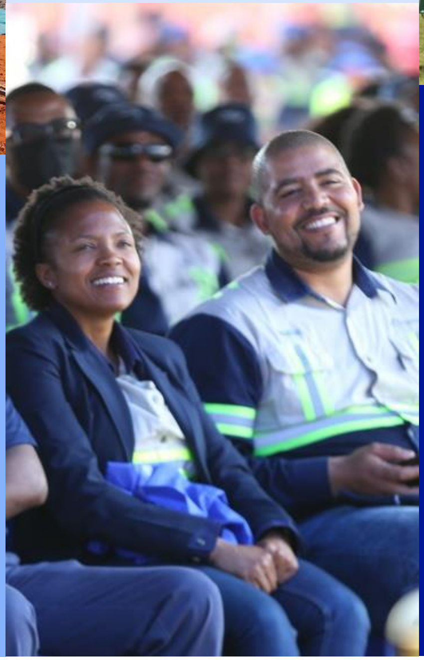
Mineral royalty
R0.7bn

Owners of Kumba
R7.3bn

Empowerment partners
R2.4bn

BEE business suppliers
R7.9bn

Host community suppliers
R2.8bn



3-year wage agreement concluded

Salaries and benefits
R3.1bn

Employed from N. Cape
81%

Capital investment
R4.4bn

Direct social investment
R92m

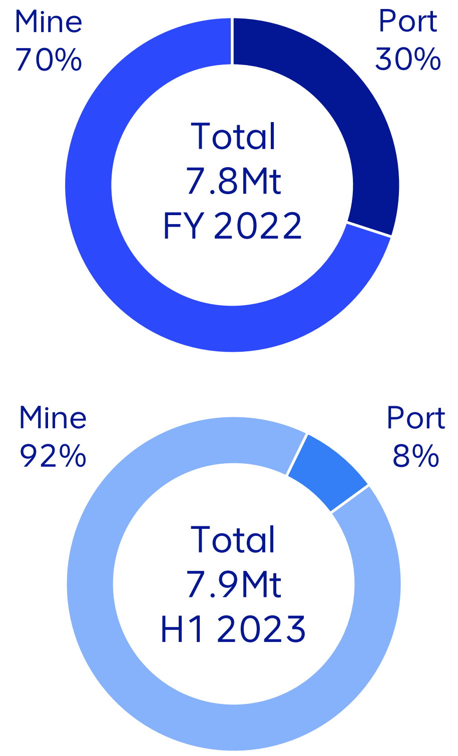
Operational performance

Production steady, logistics challenging

Waste	Production
111.2Mt	18.8Mt
H1 2022: 95.5Mt	H1 2022: 17.8Mt

Ore railed to port	Sales
18.4Mt	18.9Mt
H1 2022: 19.0Mt	H1 2022: 19.7Mt

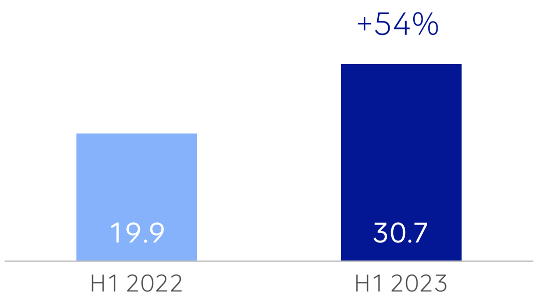
Finished stock



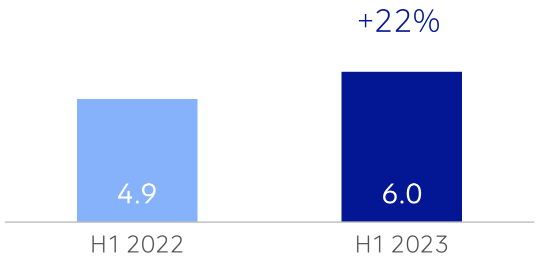
1. Includes Kapstevel South waste 6.1Mt in H1 2022 and 13.8Mt in H1 2023

Improving operational stability and capability

Kolomela waste (Mt)



Kolomela production (Mt)



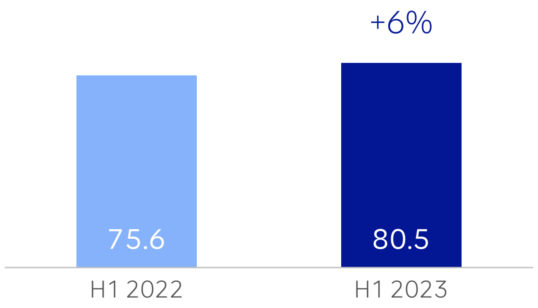
Establishing stability at Kolomela

Effective planning routines

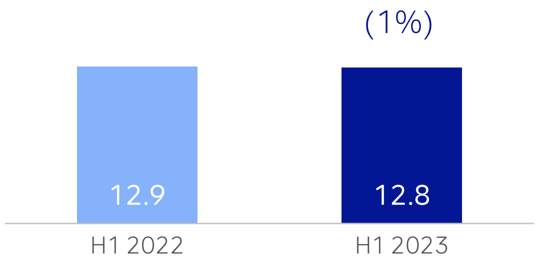
Reducing variability and improving equipment reliability

Healthy high grade ore buffer stocks

Sishen waste (Mt)



Sishen production (Mt)



Stability and capability improvements at Sishen

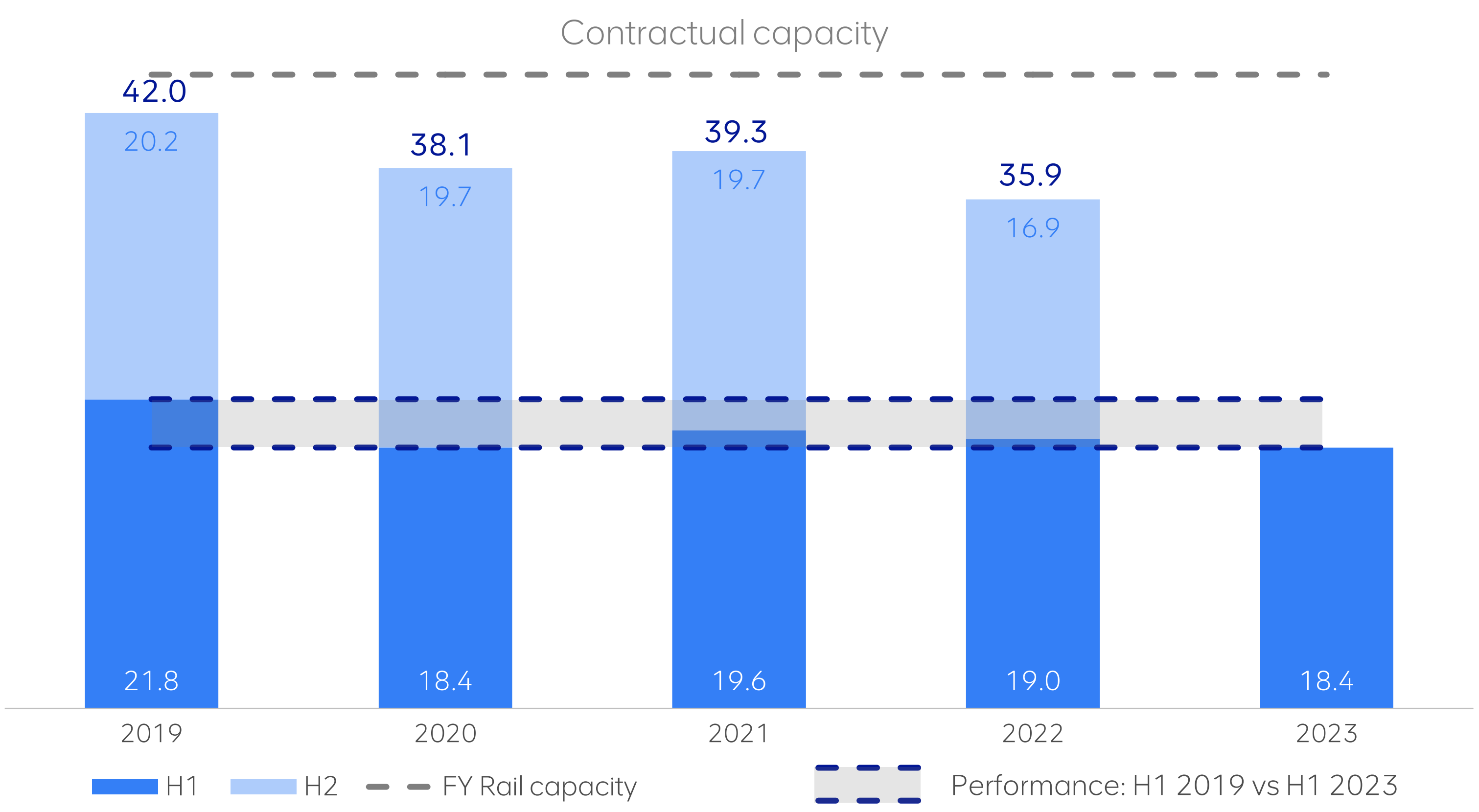
Step up in utilisation of truck fleet focusing on haul cycle and refuelling optimisation and shift change efficiency

Progressive mining capability improvements

H2 focus on plant stability and capability

Transnet rail performance impacting value chain

Ore railed to port (Mt)



Challenges

Train derailments & rail breaks

Longer train turnaround times

Locomotive availability

Cable theft (new)

Successes

Tamping maintenance work

Locust spraying programme

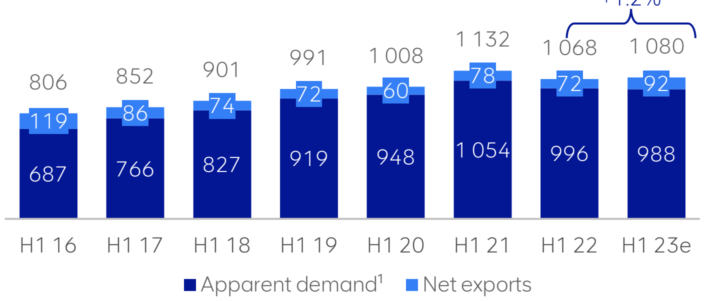
Security support

Announcement of NLCC

Low supply chain stocks buoy iron ore prices

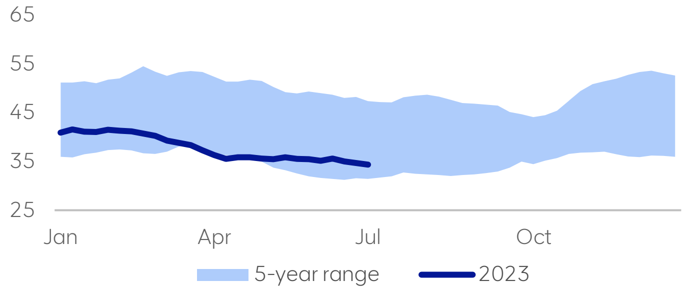
Strong exports offset reduction in demand

China Steel Demand & Exports, Mtpa



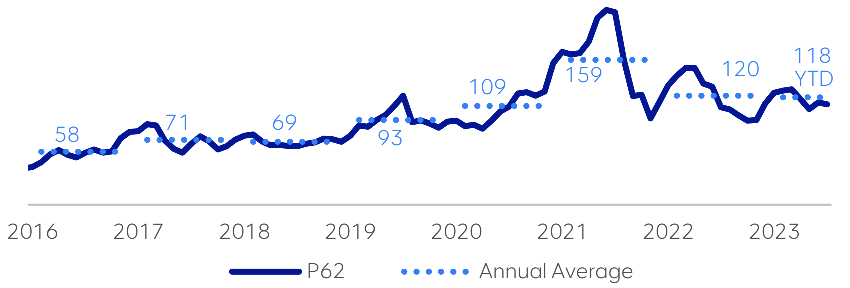
Stocks at 5-year lows

Iron Ore (Port + Mills) Stocks Days of Use



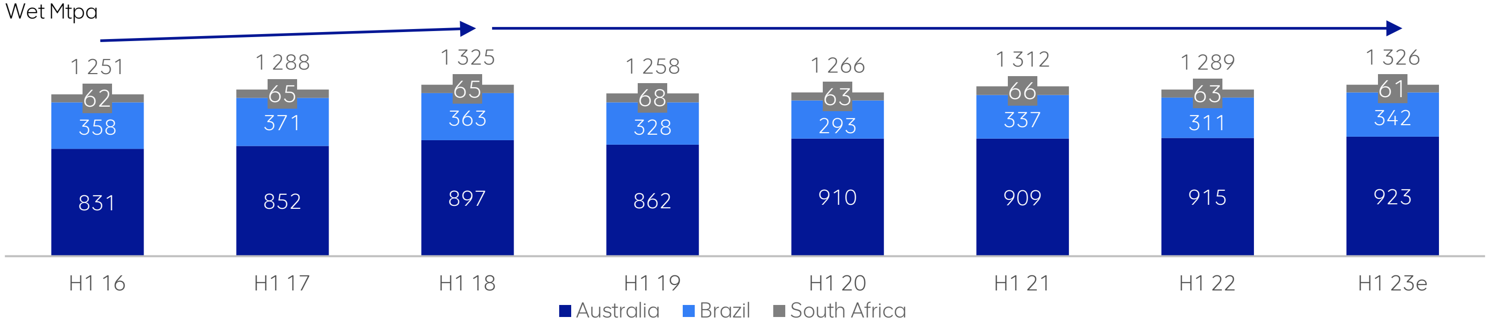
Iron ore prices holding up

Platts 62 $/t



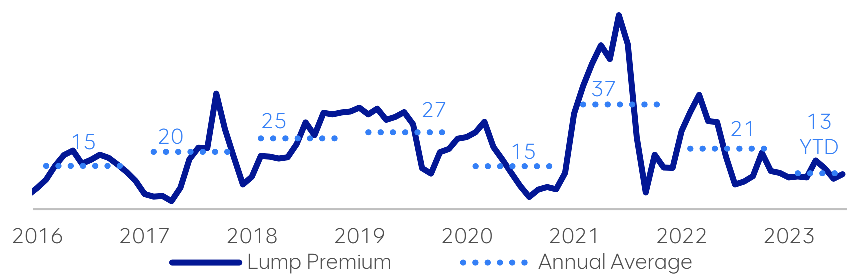
Iron ore supply from traditional basins has been relatively stable over last five years

Wet Mtpa



Tangshan sintering cuts supportive of lump premia

Platts Lump Premium, cents/dmtu



1. Including inventory change ^Global ex-Australia, Brazil, South Africa
Source: Mysteel, GTT, Platts, WSA

Financial performance

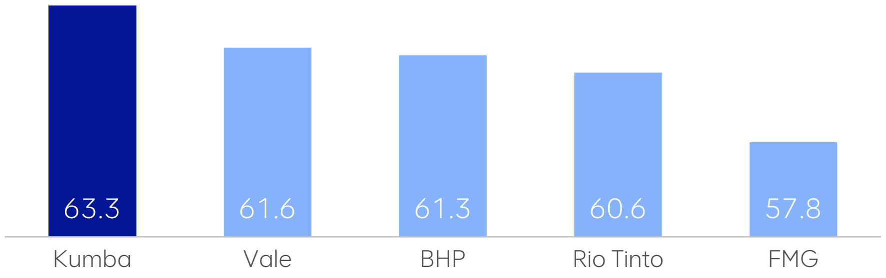
H1 2023 financial results

Average realised FOB price	EBITDA margin	HEPS
US$106/t	52%	R30.04
H1 2022: US$136/t	H1 2022: 54%	H1 2022: R36.13

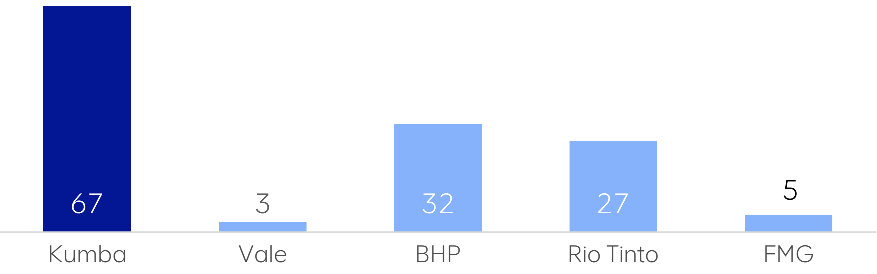
C1 costs	Break-even price	DPS
US$39/t	US$65/t	R22.60
H1 2022: US$43/t	H1 2022: US$66/t	H1 2022: R28.70

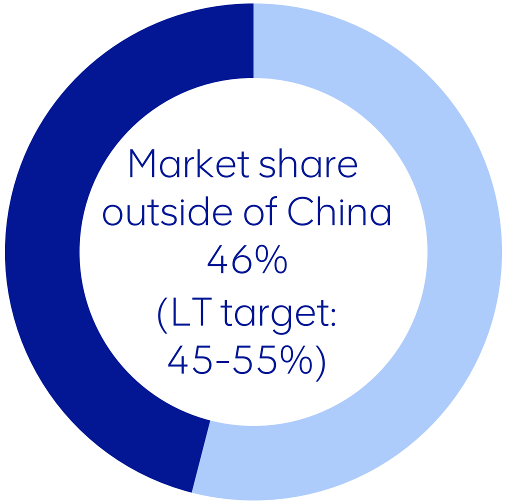
Premium prices for premium products

Fe qualities (%)

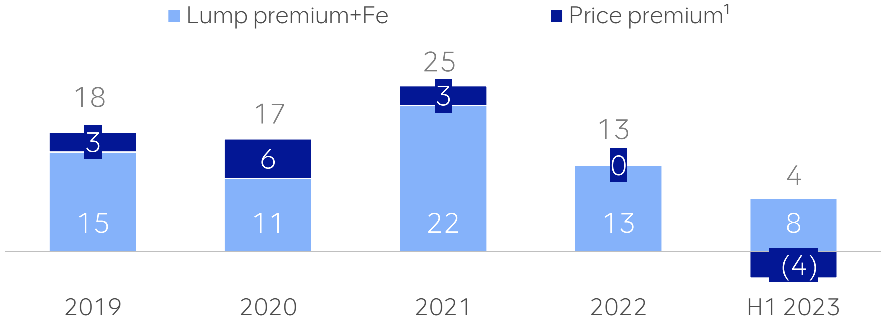


Lump : Fine ratio (%)

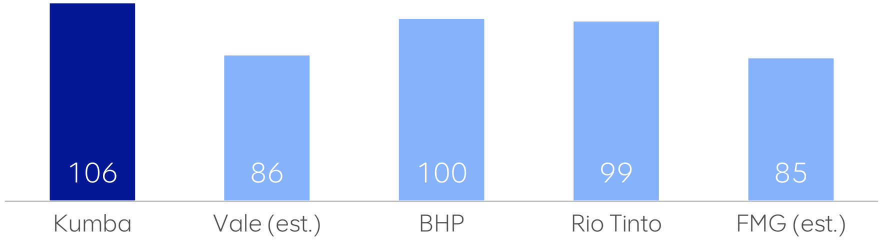




Price premium over Platts 62 FOB (US$/wmt)



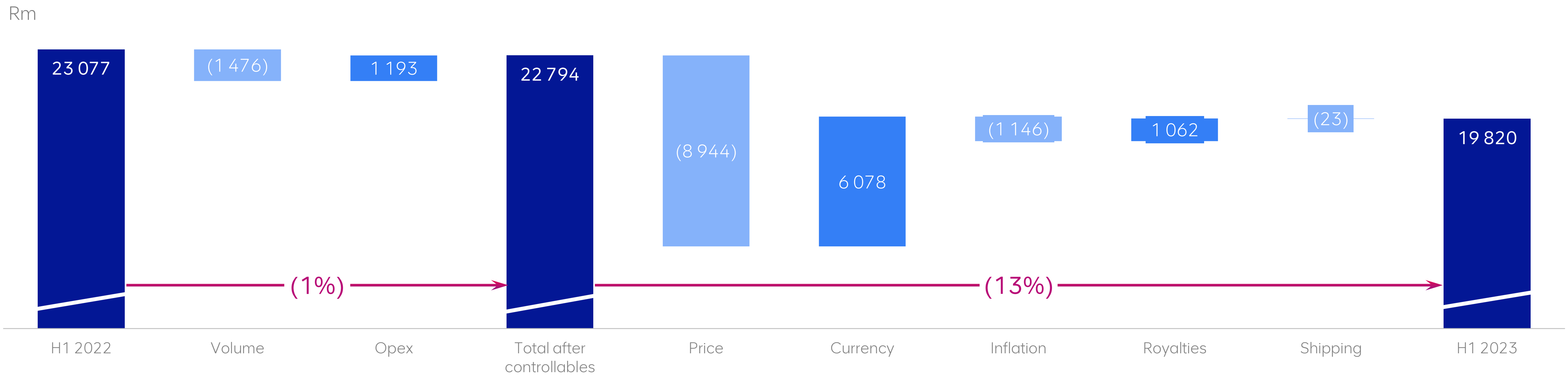
H1 2023 Realised price FOB (US$/wmt)



1. Price premium includes marketing and timing effects
Source: Iron Ore Marketing

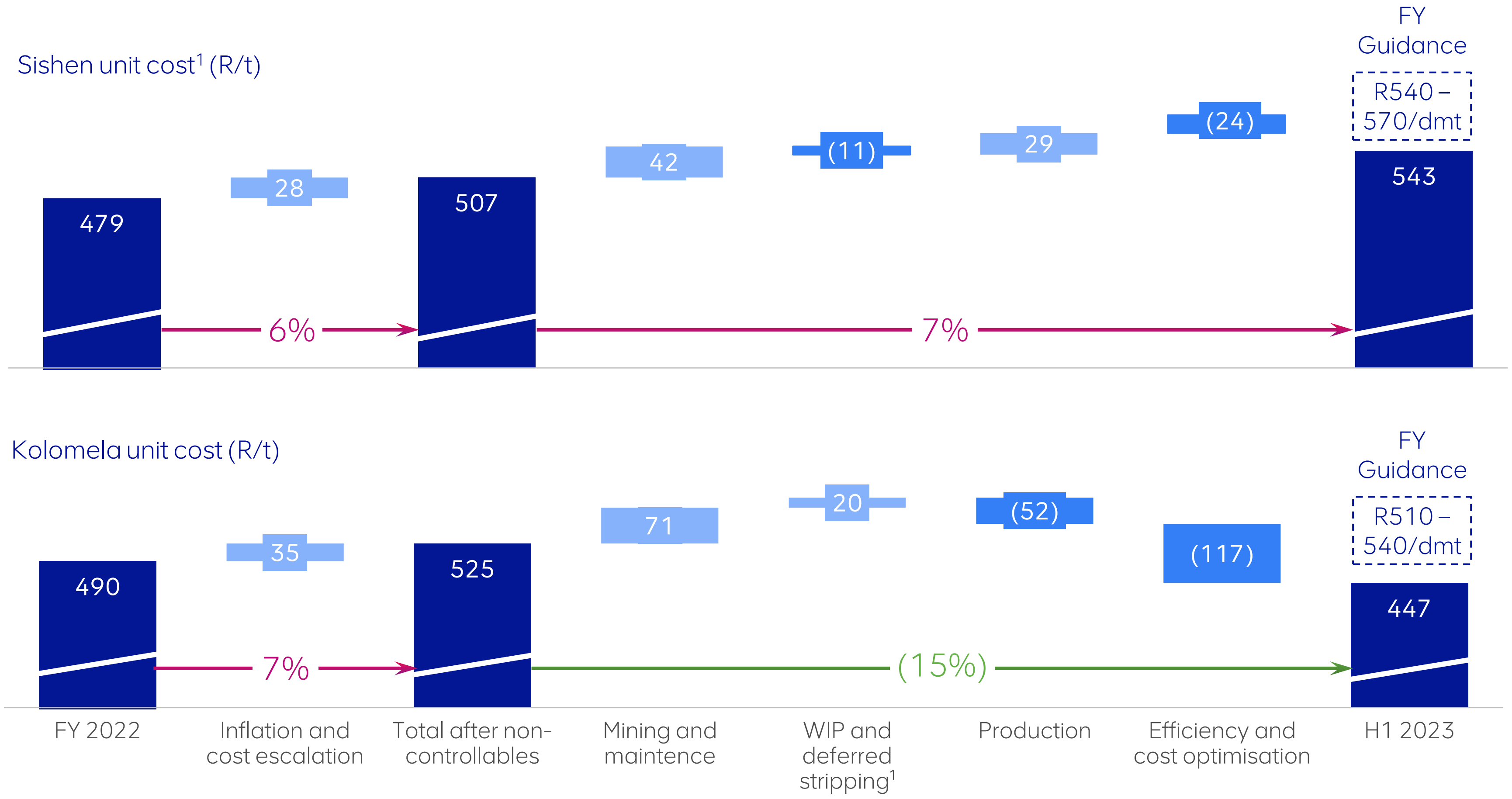
EBITDA reflects lower prices, offset by weaker currency

	Sales volumes	C1 costs	Average FOB price	Price premium[1]	Average R/US	Inflation	Freight rates
H1 2023	18.9 Mt	US$39/t	US$106/t	US$4.0/t	R18.21	6.9%	US$14/t
H1 2022	19.7 Mt	US$43/t	US$136/t	US$13/t	R15.40	5.9%	US$20/t



1. Price premium includes marketing and timing effects

Operational efficiency mitigating cost pressures

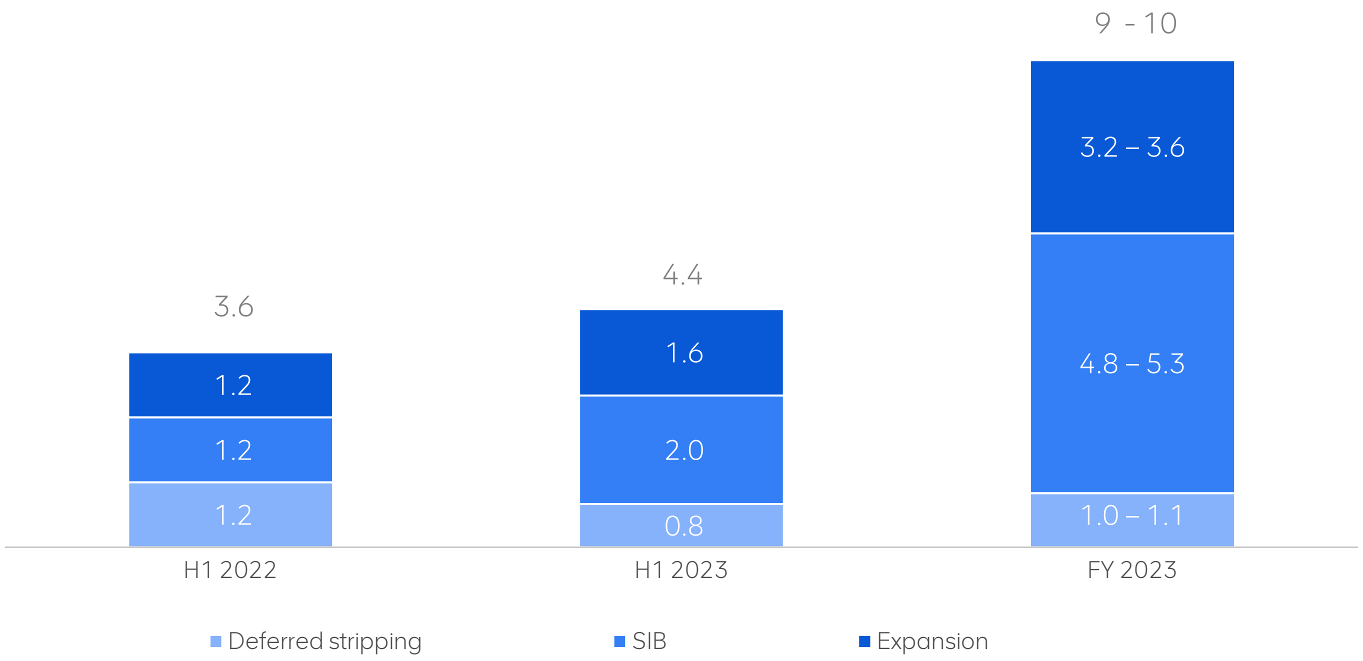


Cost optimisation programme

1, Excluding the impact of deferred stripping on unit cost: Sishen = H1 2023: R25/t (2022: R60/t); Kolomela = H1 2023: R16/t (2022: R88/t)

Capital expenditure to sustain our business

Capex[1]
Rbn



Expansion capex

Kapstevel South: ~R1 billion (scope 74% completed)

UHDMS: ~R0.4 billion (progressed detailed design)

SIB capex

HME and plant reliability, infrastructure upgrades

Technology and FutureSmart Mining™

Environmental sustainability

Guidance R2bn lower

Rephasing of Kapstevel South and UHDMS review

1. Capital expenditure before capital creditors

Disciplined capital allocation

Cashflow after sustaining capital

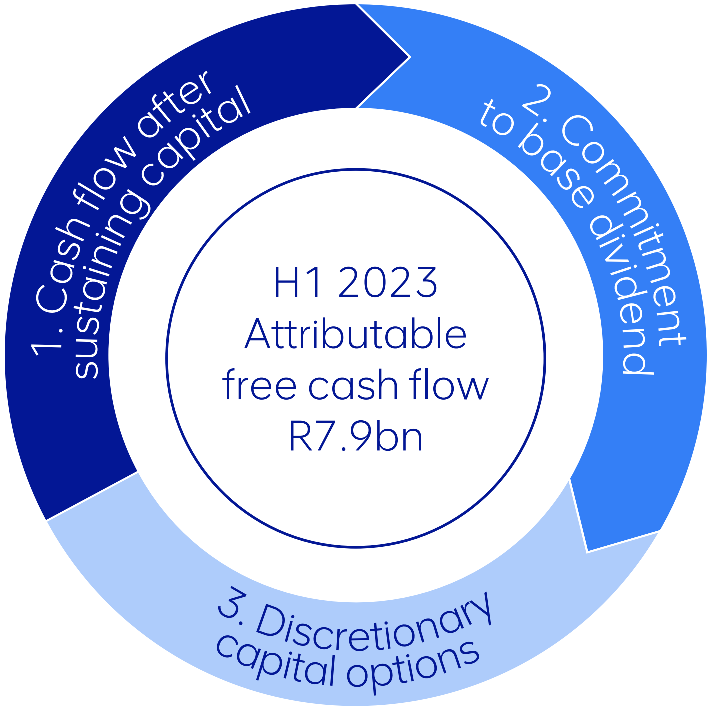
R13.0bn

Base dividends

R6.3bn

Discretionary capital

R1.6bn



Future project options

Portfolio upgrade

Additional shareholder returns

Additional shareholder returns

R0.6bn cash dividends

Net cash

R13.8bn end of period

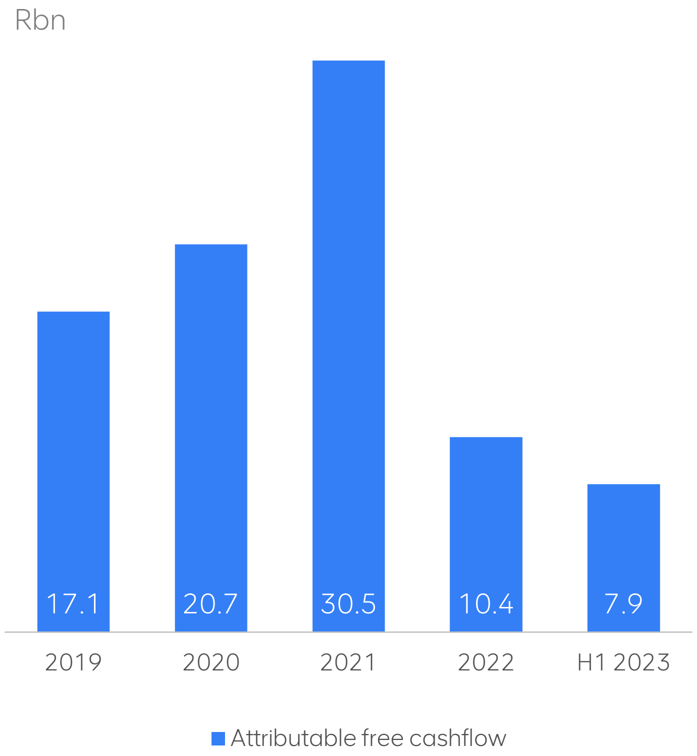
Interim cash dividend declared[1]

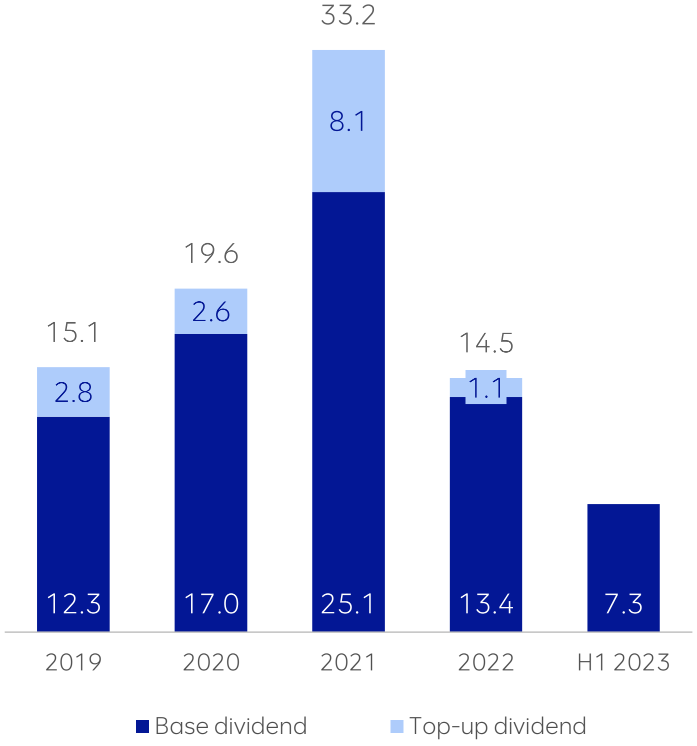
R9.7bn

1. Including R2.4 billion to minority shareholders

Sustainable value delivery despite market volatility

Shareholder value creation (2019 – H1 2023)





Attributable free cashflow

R86.6bn

Total dividends[1]

R89.7bn

Average dividend payout ratio

87%

1. Excluding dividends declared to minorities

Looking ahead

Our refreshed strategy

Unlock full potential of the core

- Leadership and culture
- Operational excellence
- Cost competitiveness

Position for a sustainable future

- Maximise product premium
- Green steel value chain
- Societal value

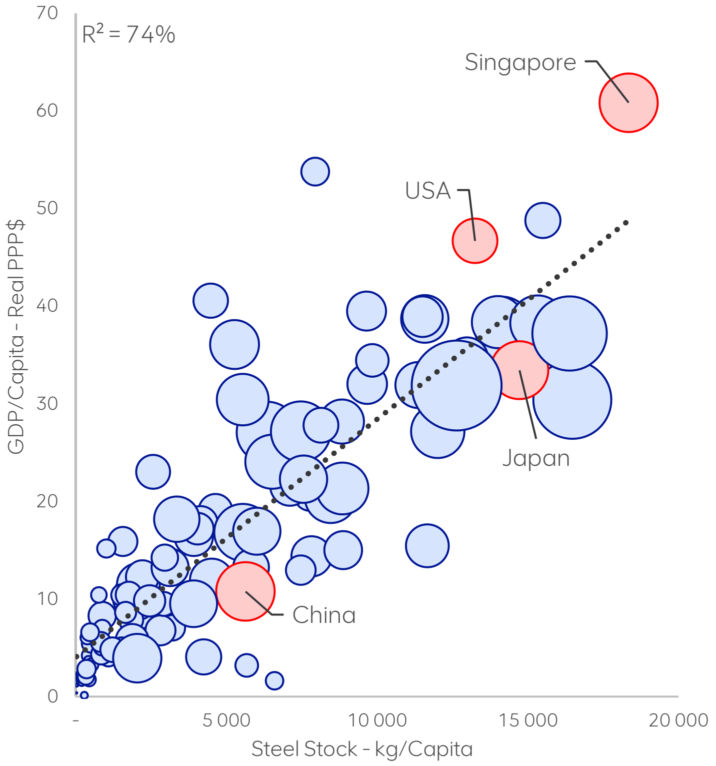
Stakeholder value creation

- Strong balance sheet
- Disciplined capital allocation
- Value accretive options

Positioning for the global green steel transition

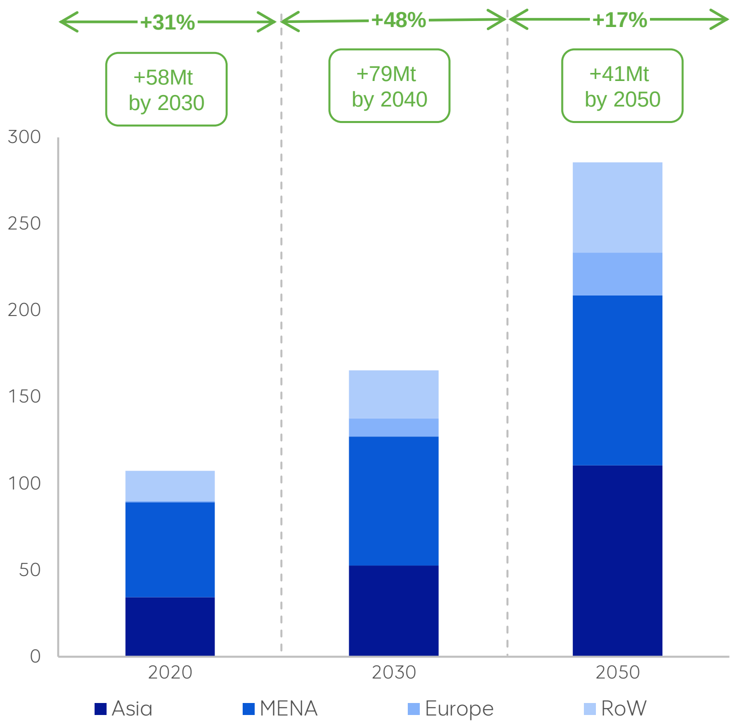
The world needs green steel to grow

Stock of steel relative to GDP[1]



Global DRI production growth

178Mt over 2020-2050 period



The role we play in future of steel

Product quality and customer strategy
Tailor products to customer decarbonisation needs

Partnerships to drive decarbonisation technology adoption
Partnerships with 30% of customers to date

SALZGITTER AG
thyssenkrupp
NIPPON STEEL
H2 green steel

New green business building
Support development and commercialisation of novel decarbonisation technologies

eit

1: 113 Country Analysis 2019. (Area = Annual steel demand per capita)

2023 full year guidance

Total production	Total sales	C1 cash costs	Capital expenditure
35 – 37Mt	36 – 38Mt (previously 37 – 39Mt)	≤US$43/t[1] (previously ≤US$44/t[2])	R9 – 10bn (previously R11 – 12bn)

	Sishen	Kolomela
Production	~26Mt	~10Mt
Waste	150 – 170Mt	45 – 55Mt
Unit costs	R540 – 570/dmt	R510 – 540/dmt
Strip ratio	3.4, LoA ~3.1[3] | LoA ~3.9[4]	To exceed ~5, LoA ~4.4[6]
LoA	~17 years[5]	12 years[7]

1. Based on R18.21/US$ | 2. Based on R17.00/US$ | 3 and 4. Based on the 2022 LoA and including C-grade | 5. Including UHDMS with 2035 – 2039 production being ~10Mtpa | 6 and 7. Including Kapstevel South

Re-imagining mining to improve people's lives

Focused on continued value delivery through our Refreshed strategy

Assets

52% EBITDA margin

Premium quality, high margin assets

Life extension opportunities

Capabilities

77% ROCE

Operational resilience and marketing strength

Efficient capital allocation

Sustainability

R28.5bn Shared value

Continued delivery of stakeholder value

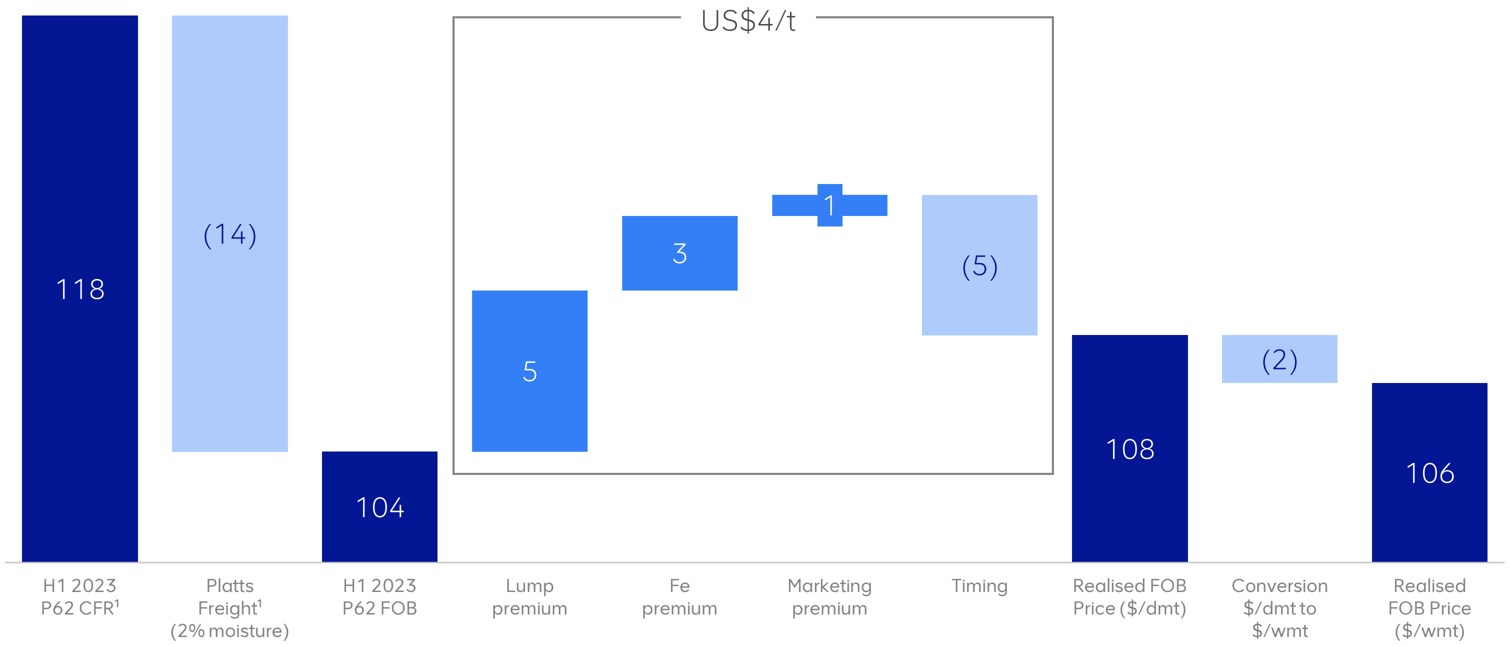
Sustainable Mining Plan integrated

FTSE4Good | MSCI ESG RATINGS AA | ISS-oekom | wbcsd | ICMM International Council on Mining & Metals | CDP DRIVING SUSTAINABLE ECONOMIES | EY | IRMA INITIATIVE FOR RESPONSIBLE MINING ASSURANCE

Annexures

Average realised price reflects weaker steel demand

Average realised FOB export price (US$/t)



Price drivers

Average market prices[1]:

P62 CFR China price average: US$118/t
(H1 2022: US$140/t)

Fe premium average: ~US$1.96 per 1% Fe
(H1 2022 ~US$2.3 per 1% Fe)

Lump premium average: US$13/dmtu
(H1 2022: US$0.3/dmtu)

Marketing:
Price premium on high quality products

Timing effects:
Products generally priced in month after arrival, provisional pricing adjustments

Source: Iron Ore Marketing.
1. Straight average of the daily indices between 1 Jan – 30 Jun 2023

Life extension projects

Kolomela: Kapstevel South pit

74% of scope completed. HME procured and implemented
Infrastructure construction on track with handover in Sept. 2023
Rephasing a portion of waste mining
Waste stripping in progress with first ore in H1 2024

- Total capex: ~R7bn
- IRR: >25%
- EBITDA margin: >35%

Sishen: Ultra high dense media separation plant

Progressed detailed engineering design work and project execution plan under technical review.

The value drivers include:

- Lower cut-off grade (stripping ratio)
- Increased premium quality
- Extends Sishen's life of mine
- Reduces mining unit costs

Logistics constraints impact on sales

Mt	H1 2023	H1 2022	% change	H2 2022	% change
Railed to port (incl. Saldanha Steel)	18.4	19.0	(3)	16.9	9
Sishen mine (incl. Saldanha Steel)	13.2	13.4	(1)	12.2	8
Kolomela mine	5.2	5.6	(7)	4.7	11
Total sales	18.9	19.7	(4)	16.9	12
Total ore shipped	18.9	19.7	(4)	16.9	12
CFR (shipped by Kumba)	11.1	12.2	(9)	10.4	7
FOB (shipped by customers)	7.8	7.5	4	6.5	20
Finished product inventory	7.9	4.5	76	7.8	1

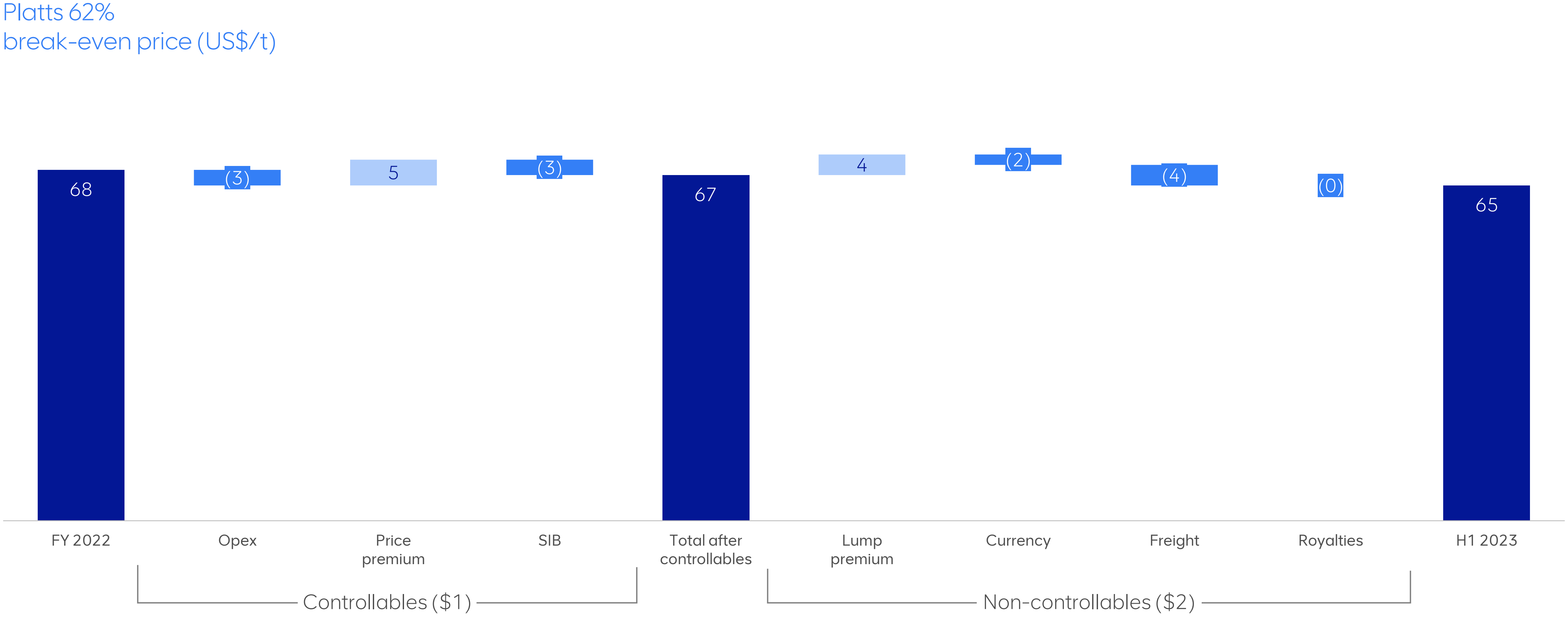
Conversion rates dmt to wmt: 1.6% average moisture factor.

Operating margin reflects lower revenue

Rm	H1 2023	H1 2022	% change	H2 2022	% change
Revenue	38 279	42 977	(11)	31 055	23
Operating expenses	(20 748)	(22 396)	(7)	(24 756)	(16)
Operating profit	17 531	20 581	(15)	6 299	>100
Operating margin (%)[1]	45.8	47.9	(2.1)	20.3	25.5
Profit for the period	12 668	15 153	(16)	4 502	>100
Equity holders of Kumba	9 642	11 554	(17)	3 414	>100
Non-controlling interest	3 026	3 599	(16)	1 088	>100
Effective tax rate (%)	27.4	26.4	1.0	26.6	0.8
Cash generated from operations	17 530	23 456	(25)	11 379	54

1. Includes expected credit losses and impairment charges

Break-even price driven by lower costs, weaker rand



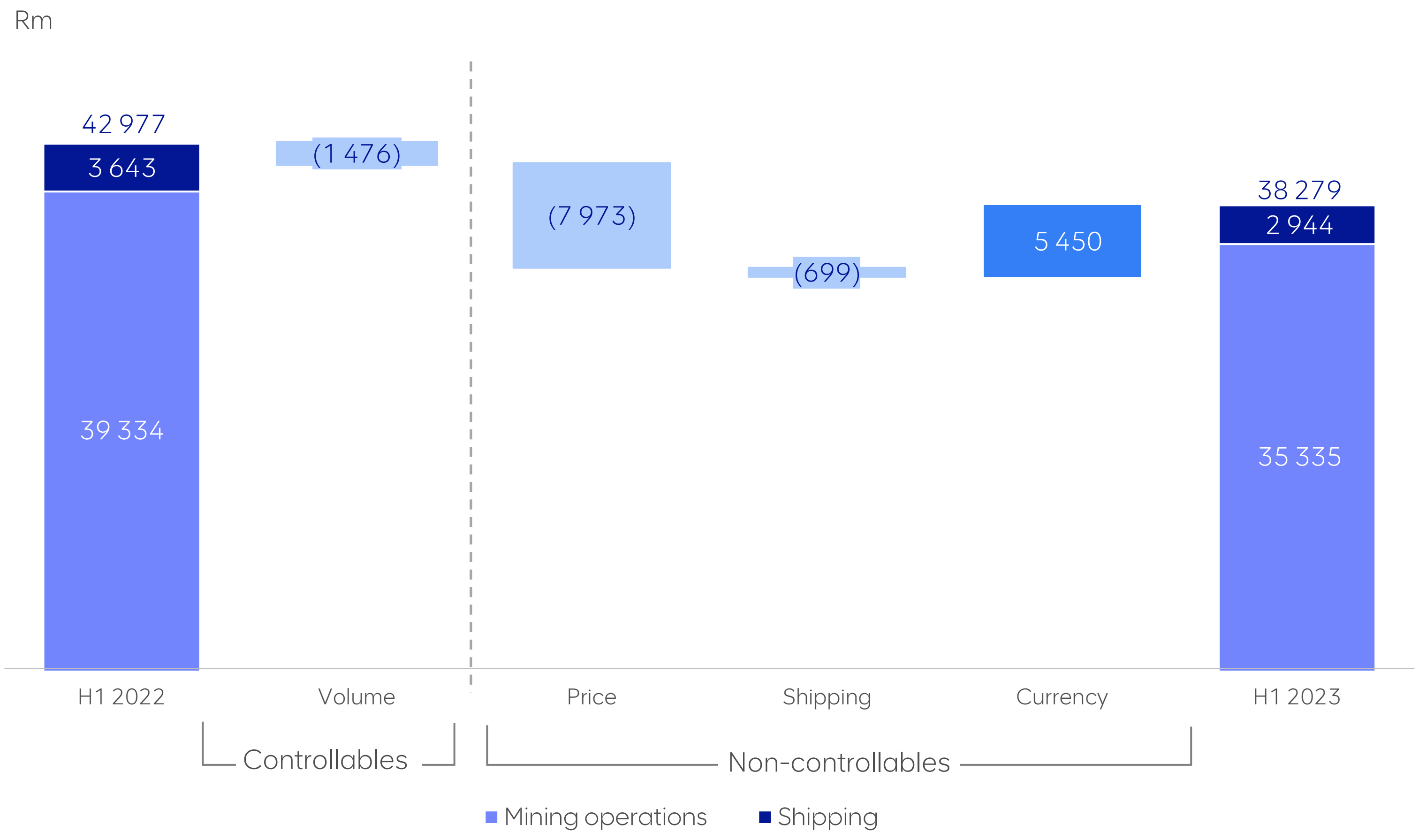
Revenue analysis

	H1 2023	H1 2022	% change	H2 2022	% change
Export (Rm)	35 335	39 334	(10)	27 489	29
Tonnes sold (wmt)	18.9	19.7	(4)	16.9	12
US Dollar per tonne (wmt)[1]	103	130	(21)	94	10
Rand per tonne (wmt)	1 870	1 997	(7)	1 627	15
Domestic (Rm)	-	-	-	1	(100)
Shipping operations (Rm)	2 944	3 643	(19)	3 565	(17)
Total revenue	38 279	42 977	(11)	31 055	23

Rand/US Dollar exchange rate	18.21	15.40	18	17.33	5

1. High-level calculation of price per tonnes per unit sold and not the average realised FOB export price

Revenue impacted by price and sales



Revenue drivers

Controllables

Total sales volumes: Decreased to 18.9Mt
(H1 2022: 19.7Mt)

Lump premium: Average US$0.13/dmtu
(H1 2022: US$0.3/dmtu)

Market premium: US$1/t[1]
(H1 2022: US$1/t)

Non-controllables

Average Platts FOB price US$106/wmt
(H1 2022: US$136/wmt)

Average R/US$ down 18% to R18.21
(H1 2022: R15.40)

1. Offset by (US$5) timing effect

Operating expenditure analysis

Rm	H1 2023	H1 2022	% change	H2 2022	% change
Raw materials & consumables	1 495	1 197	25	1 275	17
Net movement in inventories	(2 115)	(1 568)	35	(3 065)	(31)
Inventory written down to NRV	(19)	227	(>100)	(42)	(55)
Contractors' expenses	2 537	2 443	4	2 690	(6)
Deferred stripping costs	(835)	(1 199)	(30)	(1 313)	(36)
Staff costs	3 139	3 050	3	3 479	(10)
Impairment charge	-	-	-	5 411	(100)
Shipping services rendered	2 762	3 437	(20)	3 598	(23)
Depreciation of fixed assets	2 289	2 496	(8)	2 524	(9)
Mineral royalty	823	1 884	(56)	(402)	>100
Repairs & maintenance	2 155	1 650	31	1 994	8
Petroleum products	1 859	1 776	5	2 147	(13)
Other expenses[1]	2 501	2 697	(7)	2 476	1
Corporate costs	672	554	21	690	(3)
Energy costs	317	266	19	321	(1)
Net finance gains	(654)	(99)	>100	(110)	>100
Transportation & selling costs	3 822	3 585	7	3 083	24
Operating expenses[2]	**20 748**	**22 396**	(7)	**24 756**	(16)

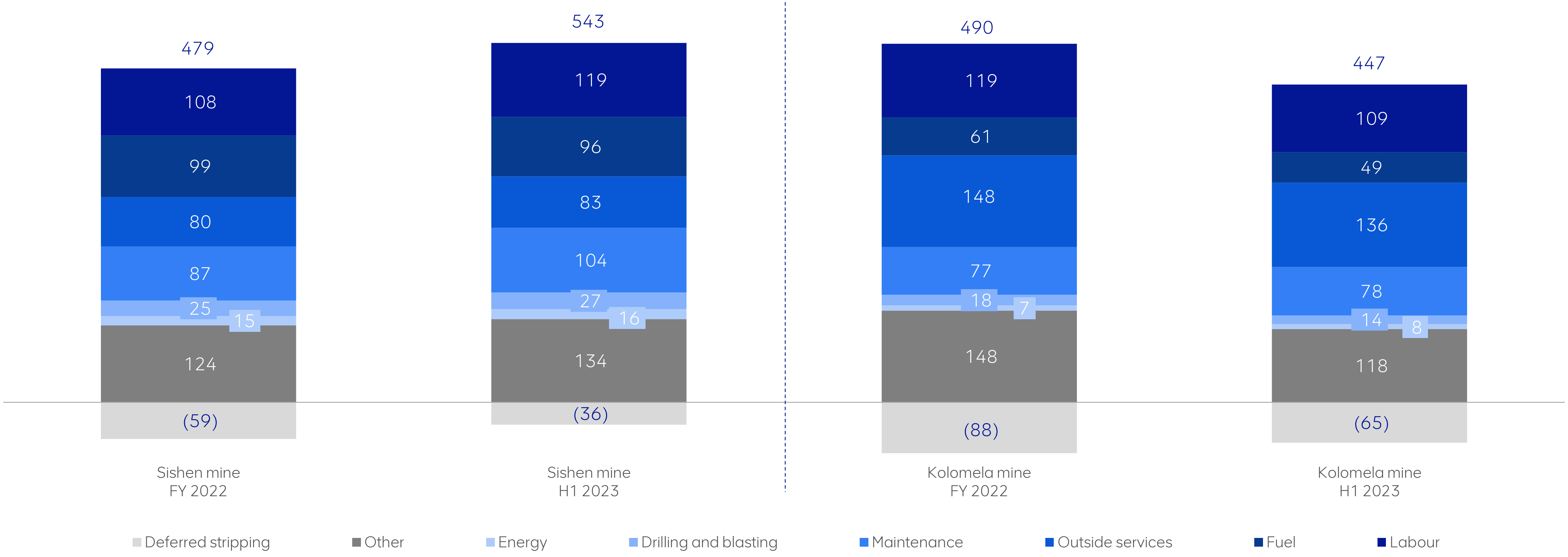
1. Includes the following significant items: administration expenses, expected credit losses, third-party purchases and lease expenses
2. Total operating expenses include expected credit losses

Opex benefit of stock, forex and lower shipping costs

1. Excluding mineral royalty & impairment

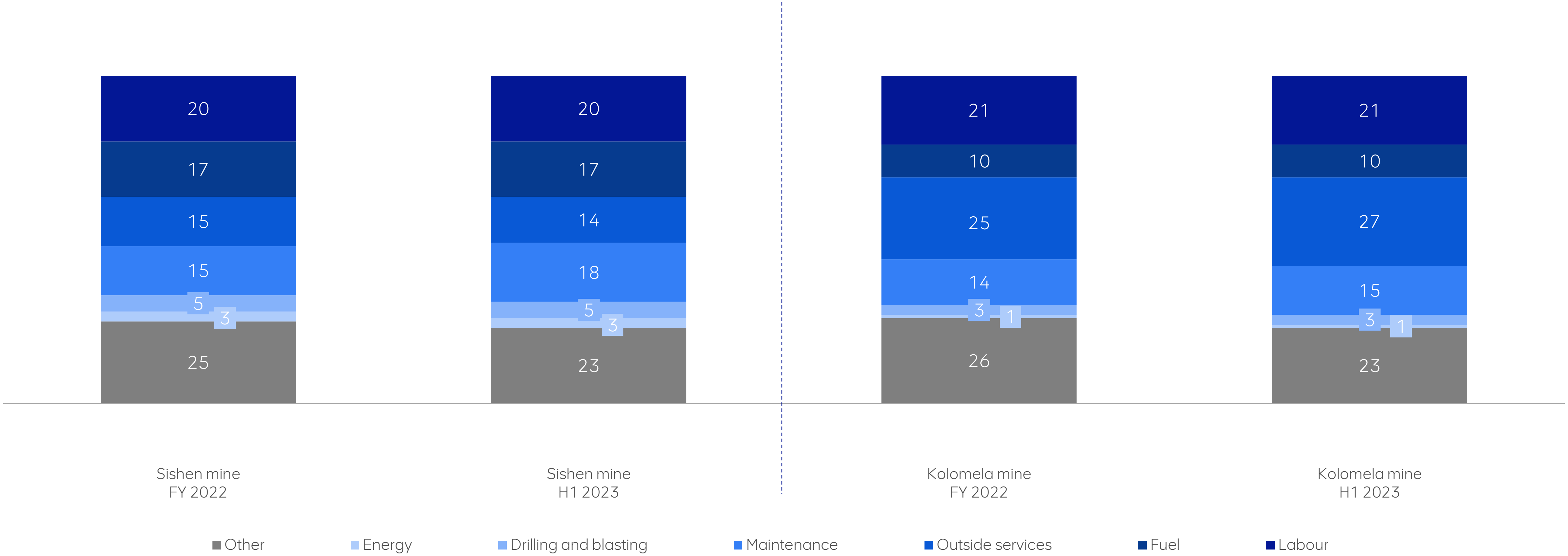
Sishen & Kolomela mines

Unit cash cost structure (R/t)



Sishen & Kolomela mines

Unit cash cost structure (%)

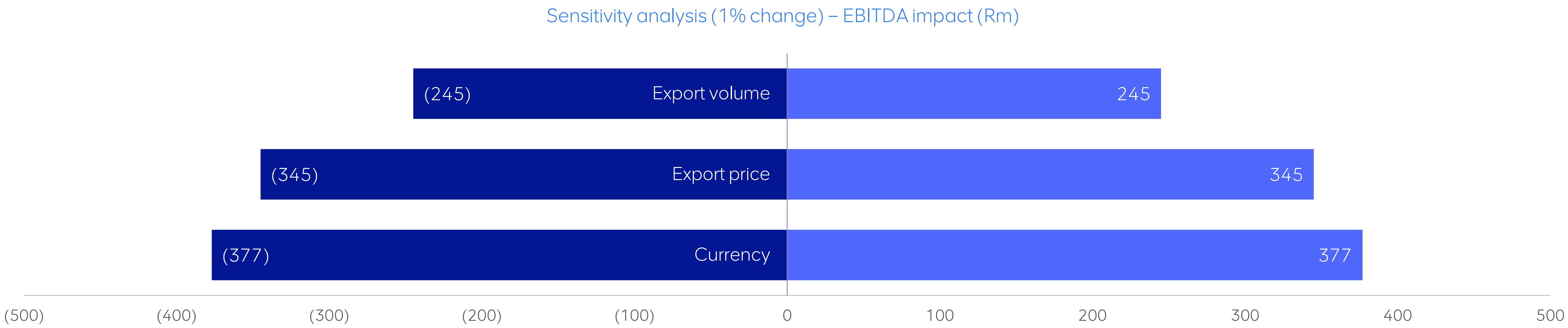


EBITDA analysis

Rm		H1 2023	H1 2022	% change
Total sales volumes[1] (Mt)	a	18.7	19.4	(3.8)
Benchmark price ($/t)		118	140	(15.3)
Product premiums ($/t)		4	18	(76.9)
Freight ($/t)		(15)	(20)	(27.1)
Realised FOB price ($/dmt)		108	138	(21.7)
On-mine unit costs ($/t)		(28)	(31)	(9.6)
Logistics (rail & port) ($/t)		(11)	(11)	(5.0)
Royalties ($/t)		(1)	(5)	(73.2)
Other costs ($/t)		(11)	(13)	(16.8)
FOB margin ($/t)	b	57	77	(26.3)
Average Rand/US Dollar exchange rate (ZAR/US$)	c	18.21	15.40	18.2
EBITDA (Rbn)	a x b x c	19 820	23 077	(14.1)

1. Sales volumes reported as dry metric tonnes

Sensitivity analysis H1 2023



Change per unit of key operational drivers, each tested independently

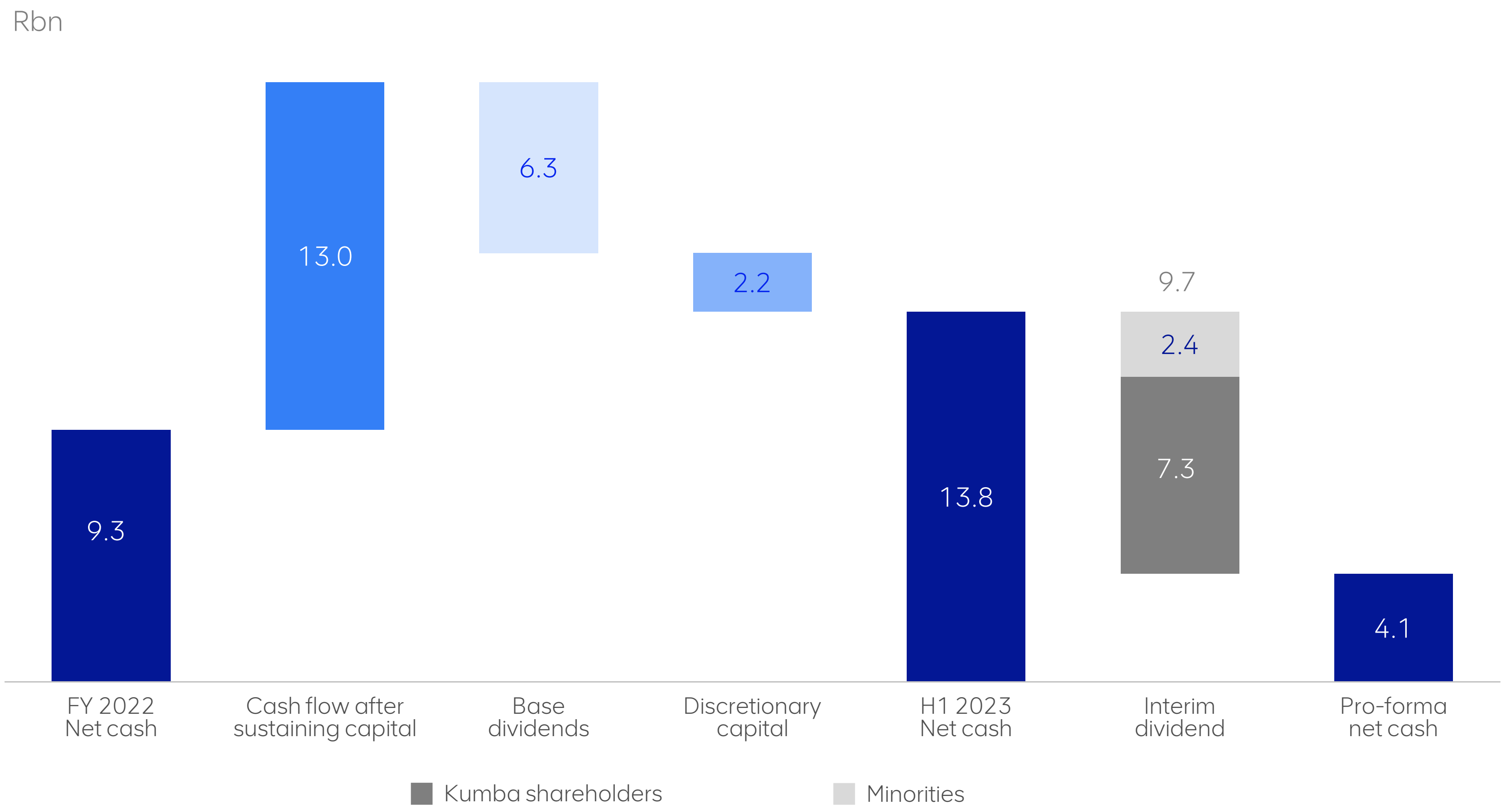
Sensitivity analysis	Unit change	EBITDA impact
Currency (Rand/US$)	R0.10/US$	R207m
Export Price (US$/t)	US$1/t	R332m
Volume (kt)	100kt	R131m
		Breakeven price impact
Currency (Rand/US$)	R1/US$	US$3/t

Capital expenditure analysis

Rm	H1 2023	H1 2022	2023e
Approved expansion	1 587	1 233	3 200–3 600
Deferred stripping	835	1 199	1 000–1 100
Sishen	456	738	960–1 000
Kolomela	379	461	40–100
SIB	1 936	1 212	4 800–5 300
Sishen	1 355	921	3 400–3 700
Kolomela	581	291	1 400–1 600
Unapproved expansion	—	—	–
Total approved & unapproved capital expenditure	4 358	3 644	9 000–10 000
Capital Creditors	641	1 871	
Cash Capex	4 999	5 515	

All guidance based on current forecast exchange rates

Robust, efficient balance sheet



Interim dividend declared

R22.60

Dividend payout ratio

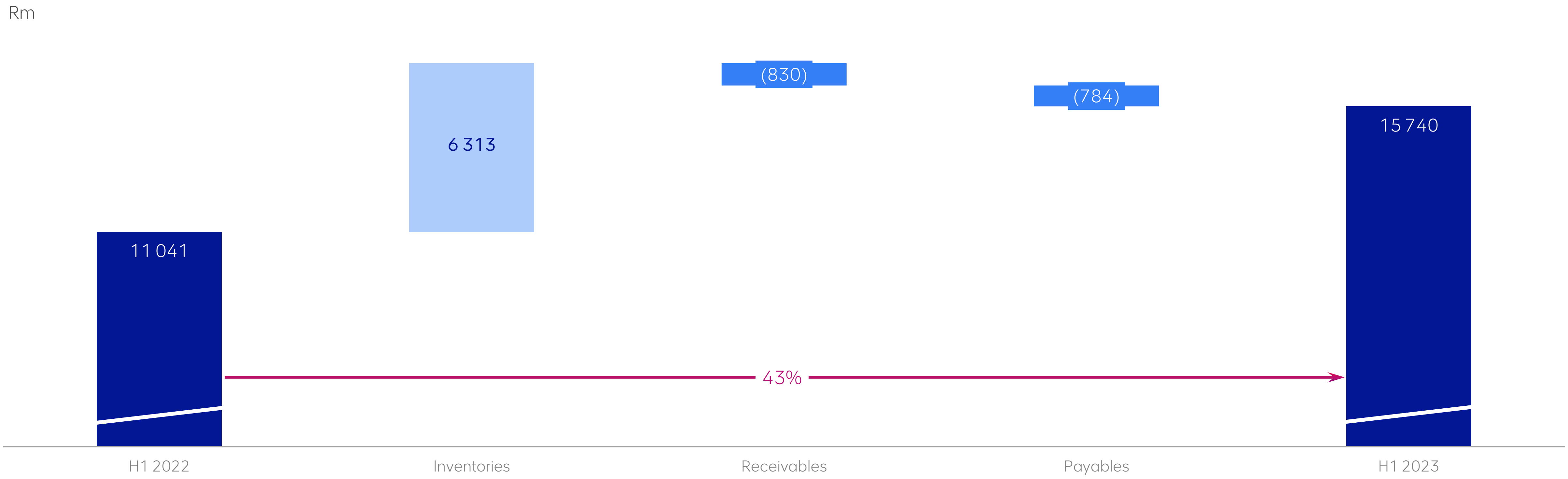
75%

Dividend yield[1]

5%

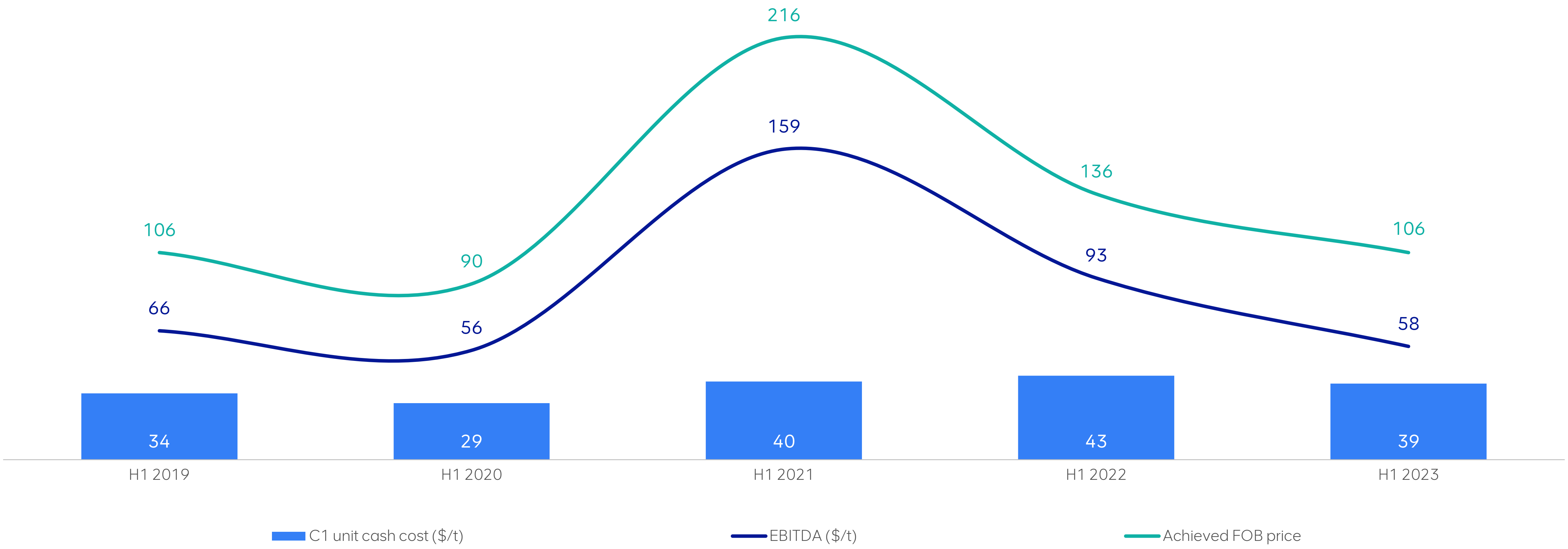
1. Based on Kumba's share price on 30 June 2023 of R443

Working capital driven by higher inventories



Annexure 17

Margin analysis



Based on exchange rate of R18.21/US$1