

**KUMBA IRON ORE LIMITED**

**RE-IMAGINING  
MINING  
TO IMPROVE  
PEOPLE'S LIVES**

**Renaissance Capital Conference, 27 May 2020**



# Disclaimer

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Certain statements made in this presentation constitute forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' or 'anticipates' or the negative thereof or other variations thereon or comparable terminology, or by discussions of, e.g. future plans, present or future events, or strategy that involve risks and uncertainties. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the company's control and all of which are based on the company's current beliefs and expectations about future events. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the company and its subsidiaries. Such forward-looking statements are based on numerous assumptions regarding Kumba's present and future business strategies and the environment in which Kumba will operate in the future. Important factors that could cause Kumba's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the effects of global pandemics and outbreaks of infectious diseases, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation where Kumba operates, conflicts over land and resource ownership rights and such other risk factors identified in Kumba's most recent Integrated Report. The forward-looking statements contained in this presentation speak only as of the date of this presentation and the company undertakes no duty to, and will not necessarily, update any of them in light of new information or future events, except to the extent required by applicable law or regulation.

# Capital efficient, resilient business - improving people's lives

## Rewarding employee talent

**R5.0bn**

Salaries and benefits (FY18: R4.6bn)

## Contributing to South Africa

**R7.8bn**

Income tax (FY18: R4.1bn)

**R2.6bn**

Mineral royalty (FY18: R983m)

## Supporting local businesses

**R13.9bn**

BEE business suppliers (FY18: R11.8bn)

**R2.4bn**

Host community suppliers (FY18: R1.4bn)

## Building communities

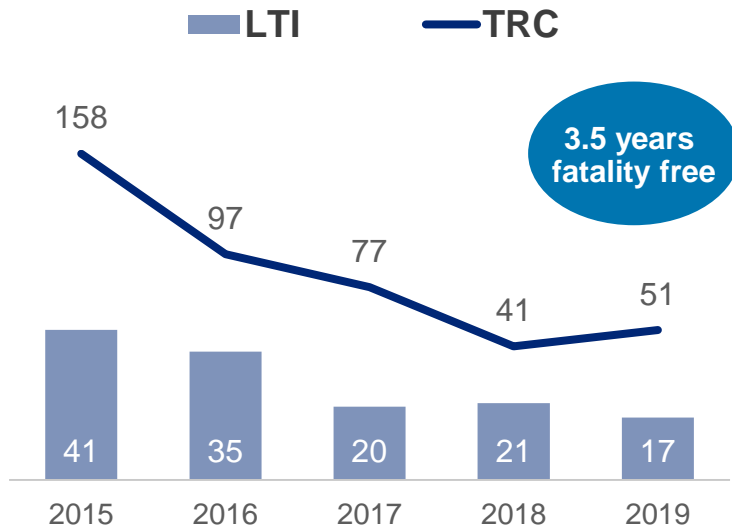
**R171m**

Direct social investment (FY18: R124m)



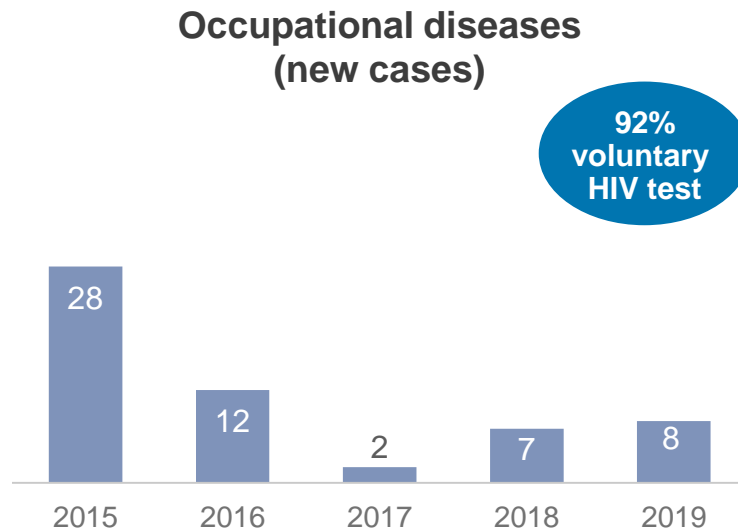
# Safety and sustainability is our core value

## Safety



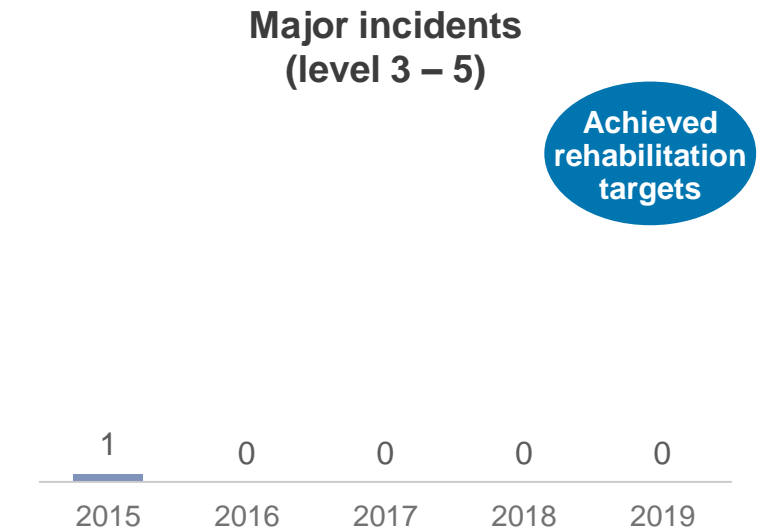
- Elimination of fatalities framework
- Technology enabling improved safety
- Leading indicator drives proactive safety management

## Health



- Focused on reducing exposure to occupational hazards
- Wellness and disease management

## Environment



- Enhanced environmental management leading to improved performance
- Increased awareness and monitoring

# Proactive and dynamic response to COVID

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***WeCare: workforce &  
communities***

**Cash conservation &  
business continuity**

# WeCare supports workforce and communities where it is needed most

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## Prevention

Implement operating protocols

Maintain essential services for communities (eg water, energy)



## Response

Integrated workforce and community screening and testing

Community support (incl. health training, food parcels)



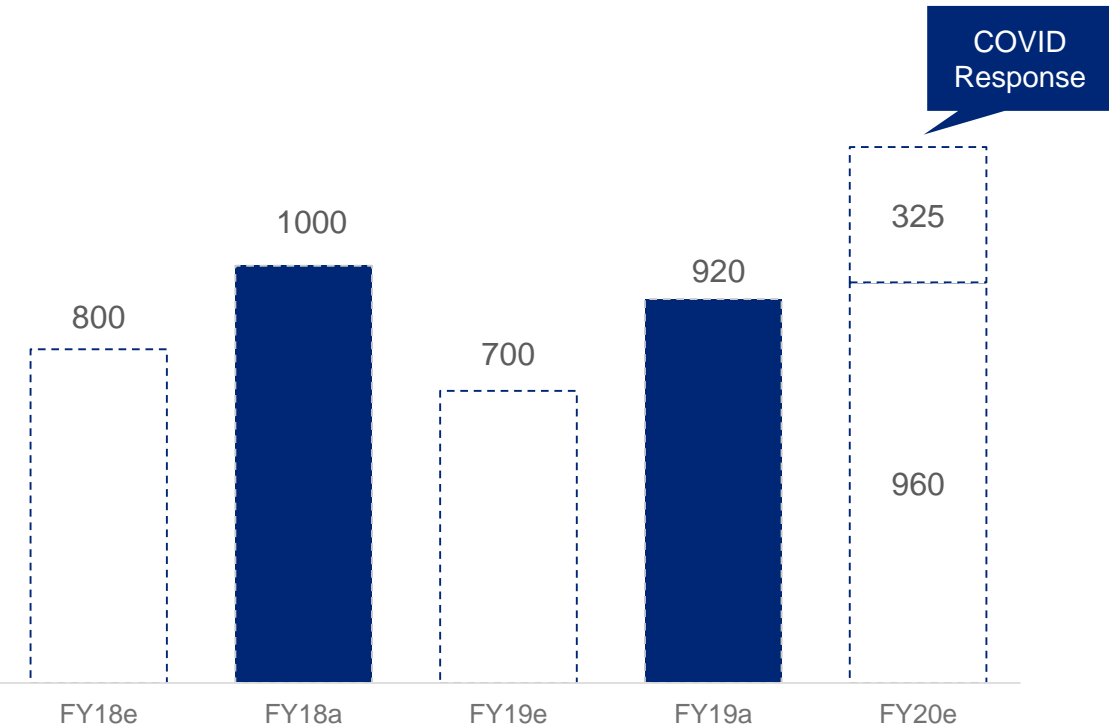
## Recovery

Ensure safe and healthy operations

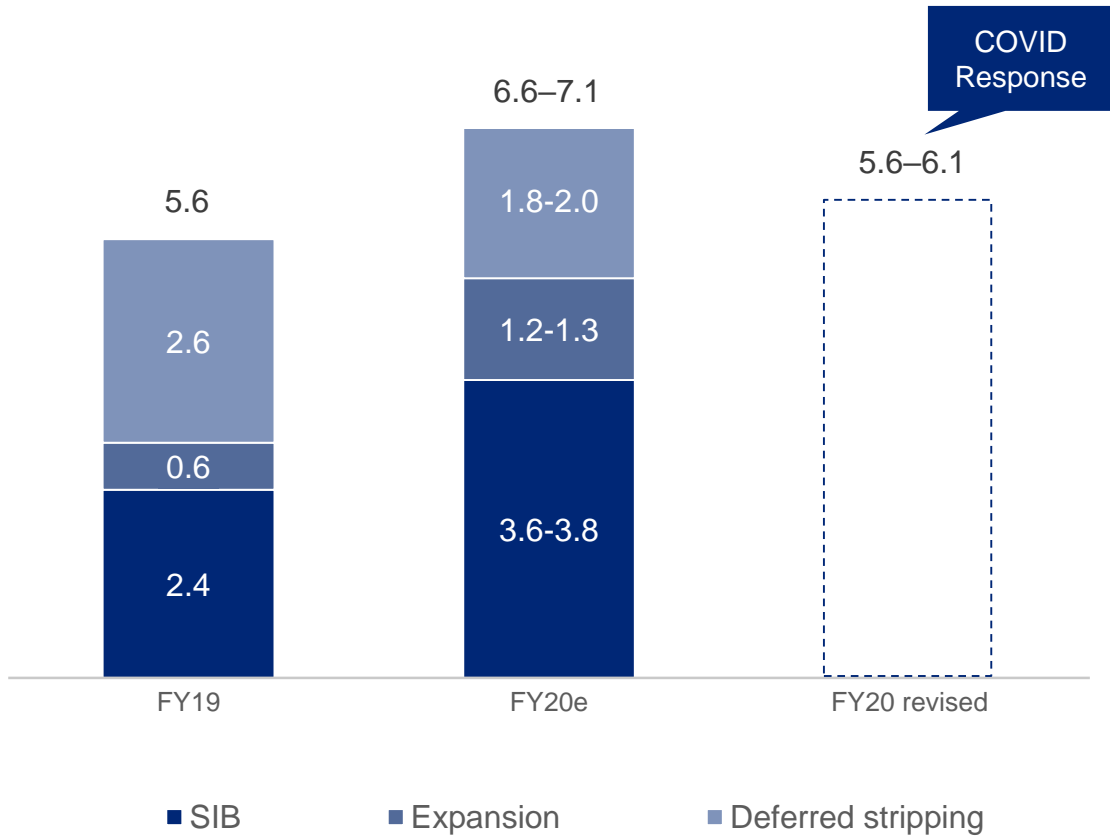
Support education, job training, healthcare and livelihoods

# Cash conservation of R1.3bn to further strengthen our balance sheet

Cost savings against target (Rm)



Capital expenditure (Rbn)



# Business continuity in challenging times

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Total production

**37 – 39Mt**

(Previous 41.5 - 42.5Mt)

Total sales

**38 – 40Mt**

(Previous 42 - 43Mt)

## Sishen

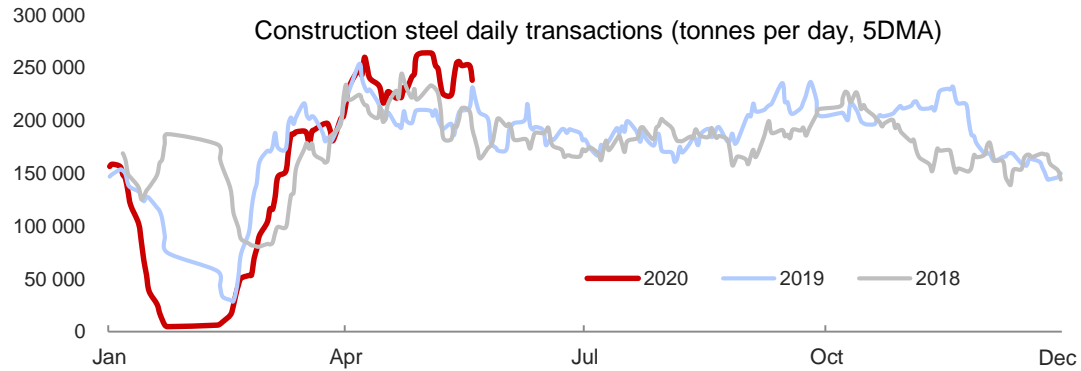
- Production: ~ 27Mt (*Previous ~ 29Mt*)
- Waste: 145 – 160Mt (*Previous 170 – 180Mt*)

## Kolomela

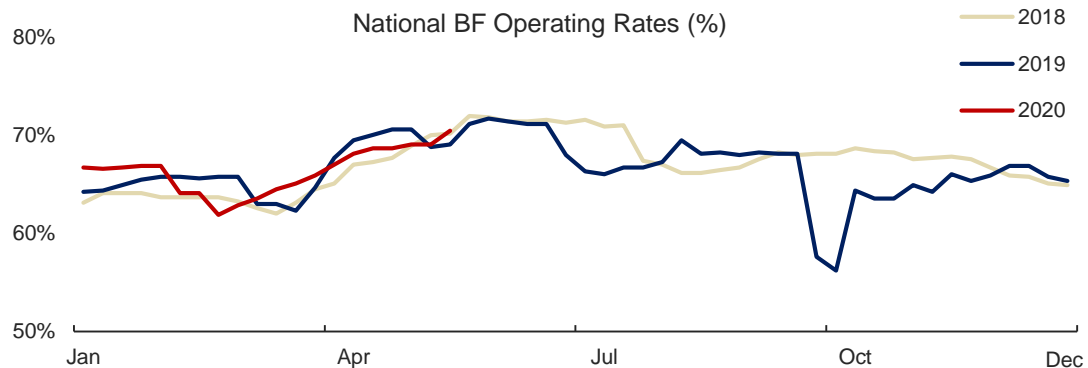
- Production: ~11Mt (*Previous ~ 13Mt*)
- Waste: 45 – 55Mt (*Previous 55 – 60Mt*)

# Iron ore stocks at port

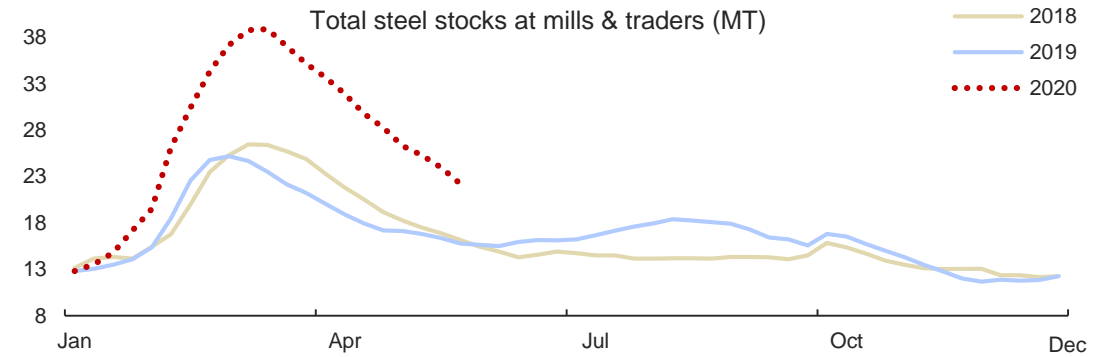
**Construction activity continues to remain seasonally strong in China..**



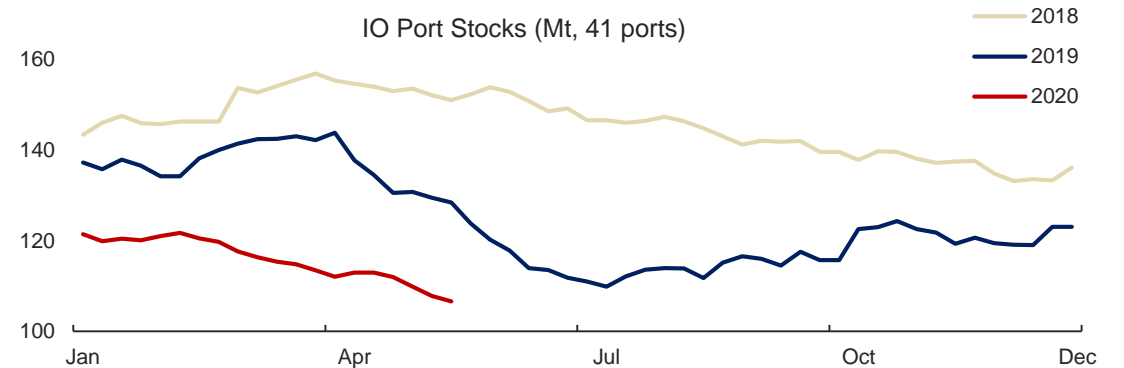
**...mills' production continued to improve and has potential further upside**



**...steel inventory overhang now 43% lower than peak level in early March**



**...resulting in continued destock of iron ore port stocks, which has fallen to 4-year low of 107Mt.**



## Positioned for recovery

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**Production ramping up and  
healthy stock levels**

**Able to adapt quickly to  
market dynamics**

# Committed to delivering our strategy

## Operating assets at full potential

- Enhanced product portfolio
- Improved operational efficiency
- Cost savings initiatives



## Leveraging endowment

- Optimisation and efficiencies
- Technology and future mining
- Northern Cape exploration



## Sustainable returns

- Business resilience
- Cash conservation
- Capital efficiency



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**Q&A**



## KUMBA IRON ORE LIMITED

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