



POWERING POSSIBILITY

2024 Interim financial results

Presentation for the six-month
period ended 30 June 2024



Agenda



Group performance overview

Nombasa Tsengwa | Chief Executive Officer



Coal performance results

Kgabi Masia | Chief Coal Operations Officer



Group financial performance

Riaan Koppeschaar | Finance Director



Outlook

Nombasa Tsengwa | Chief Executive Officer



Disclaimer

Where relevant, a range of financial and non-financial measures are used to assess our performance, including a number of financial measures that are not defined nor specified under International Financial Reporting Standards (IFRS® Accounting Standards) (as issued by the International Accounting Standards Board (IASB®)) which are termed Alternative Performance Measures (APMs). Management uses APMs alongside IFRS measures to improve comparability of information between reporting periods and business units. APMs are therefore not deemed to substitute or replace reporting under IFRS on the group's financial position, changes in equity, results of operations or cash flows. 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 and have not been reviewed nor reported on by the group's external auditor.

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Group performance overview



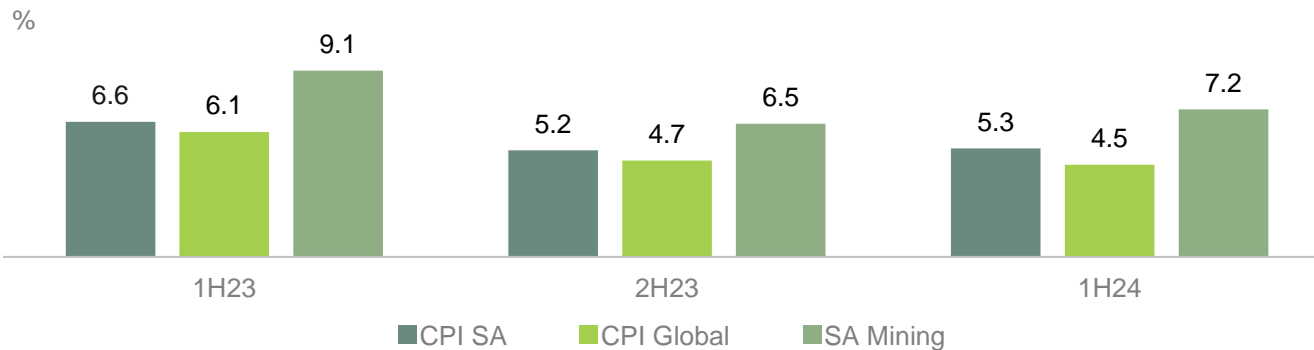
Nombasa Tsengwa

Chief Executive Officer

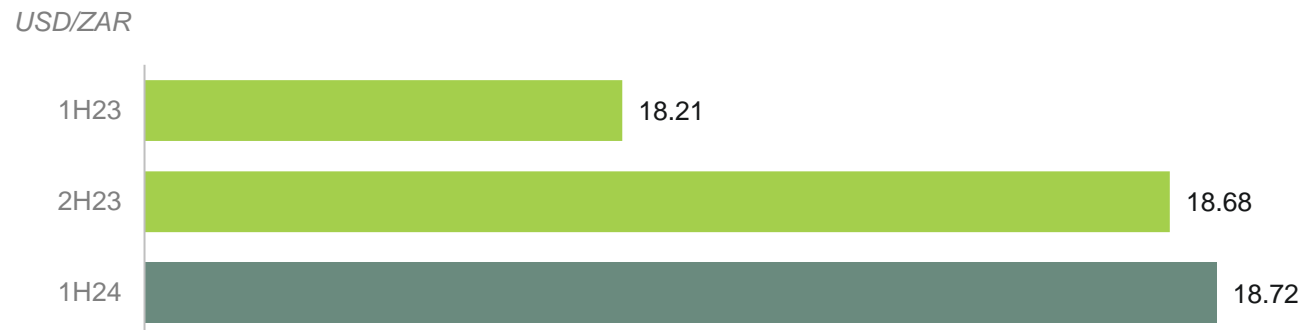


Macro uncertainty drove fluid market sentiment

Inflation



Rand volatility

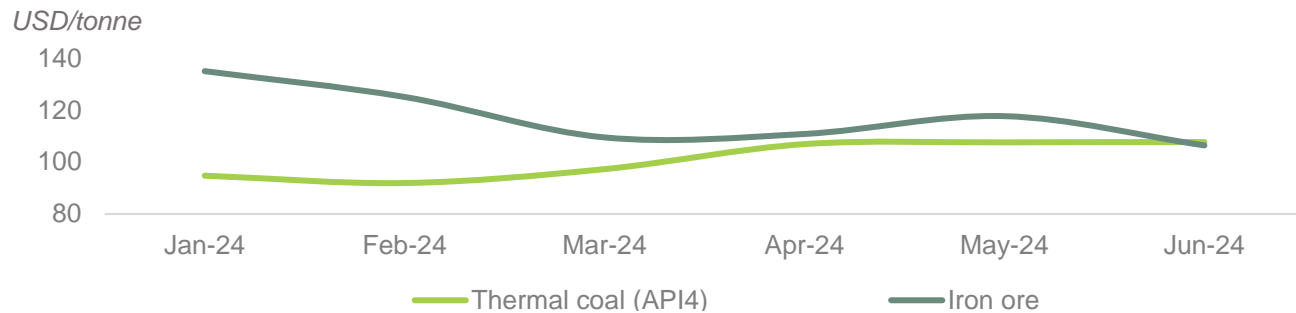


Global uncertainty and structural constraints continue to impact SA's economic growth

Source: Stats SA and S&P Global; The London Stock Exchange Group (LSEG)

Navigating the impact of industry and market constraints

Coal & iron ore price progression

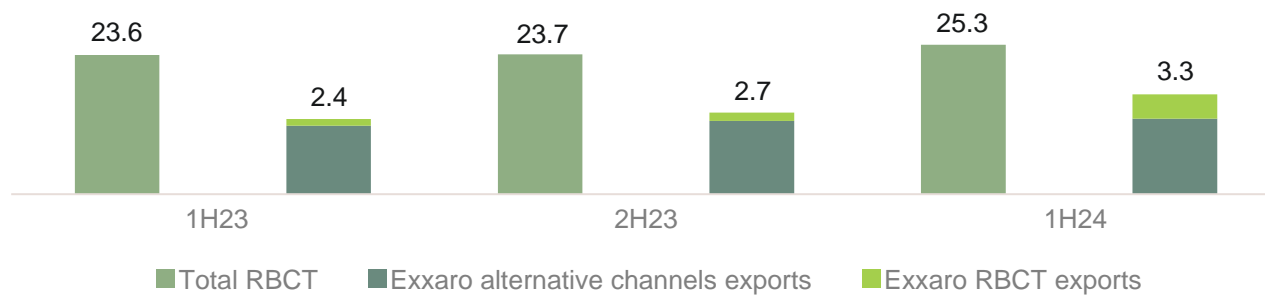


Geopolitical events continued to shape global **thermal coal trade flows**

Thermal coal prices strengthened at the end of 1Q24 and stabilised in 2Q24

Iron ore prices surged early in the year but declined by the end of 1H24

Exxaro and RBCT exports



Transnet Freight Rail (TFR) and industry collaboration improved

Navigated **logistical challenges**, cautious optimism for improvement



Coal demand from Eskom improved during 2Q24 with higher equipment availability and performance

Source: Argus; Fastmarkets

Resilient business performance despite volatile markets

Safety

Fatalities

0

(2H23: 0)

▶ Flat

LTIFR*

0.05

(2H23: 0.07**)

▼ 28.6%

Operating performance

Coal production

19.3Mt

(2H23: 22.1 Mt)

▼ 12.7%

Coal cost

R624/t

(2H23: R506/t)

▲ 23.3%

Coal export sales

3.2Mt

(2H23: 2.7Mt)

▲ 21.8%

Price realisation

95%

(2H23: 97%)

▶ -2%

Wind energy delivered

339GWh

(2H23: 392GWh)

▼ 13.5%

Financial performance

EBITDA

R5.1bn

(2H23: R5.7bn)

▼ 10.5%

HEPS

R15.28

(2H23: R22.38)

▼ 31.7%

ROCE

27%

(2H23: 35%)

▼ 8%

Interim dividend

R7.96

(2H23: R10.10)

▼ 21%

* Lost time injury frequency rate per 200 000-man hours worked ** 2H23 LTIFR is based on FY23

Realising social impact and value creation



Decarbonising today for a sustainable tomorrow

17.7%

Reduction in scope 1 & 2 carbon intensity between 2019 - 2023

12.0%

Reduction in carbon emissions between 2019 - 2023

40%

Additional reduction in scope 1 & 2 emissions by 2026 through self-generation solar PV projects and operational efficiency programmes



Targeting scope 3 emissions reduction through strategic partnerships and engagement with key stakeholders



Strong balance sheet, technological advancement and sound expertise that support our decarbonisation strategy





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Coal performance results



Kgabi Masia

Chief Coal Operations Officer



Driving sustainable impact



Safety

Fatalities ▶ 0 (0: 2H23)

LTIFR* ▶ 0.06 (0.06: 2H23)



Environment

Carbon intensity ▼ 4.07 tCO₂e/kt TTM
(4.27 tCO₂e/kt TTM: 2H23)**

Water intensity ▲ 167 l/t ROM#
(94 l/t ROM: 2H23)

Rehabilitation ▶ 19% disturbed land rehabilitated

Environmental incidents ▼ 0 Level 2 incidents
(1: 2H23)
▶ 0 Level 3 incidents (0: 2H23)



Social

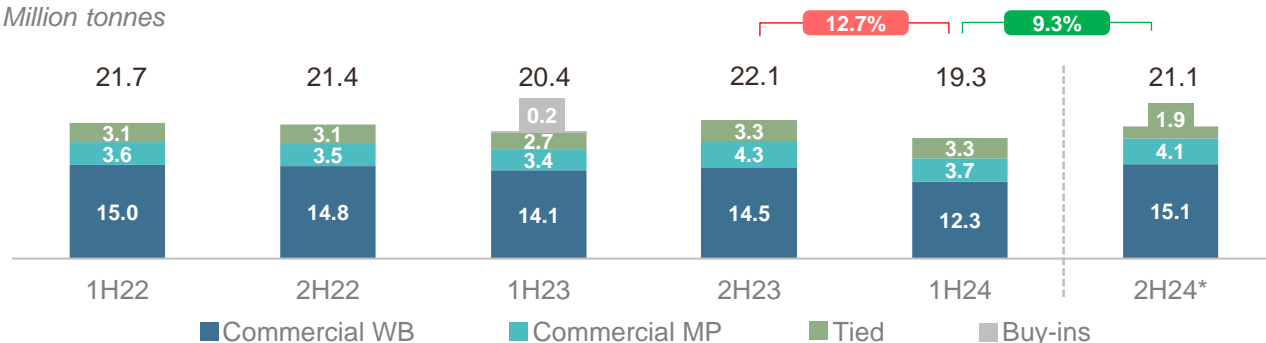
Social impact ▲ R1.045bn direct social investment spend
(R1.0bn: 2H23)

* Lost time injury frequency rate per 200 000-man hours worked ** Tonnes (t) of carbon dioxide (CO₂) equivalent (e) per 1 000 total tonnes mined # Run-of-mine

Maintaining operational resilience

Total product

Million tonnes



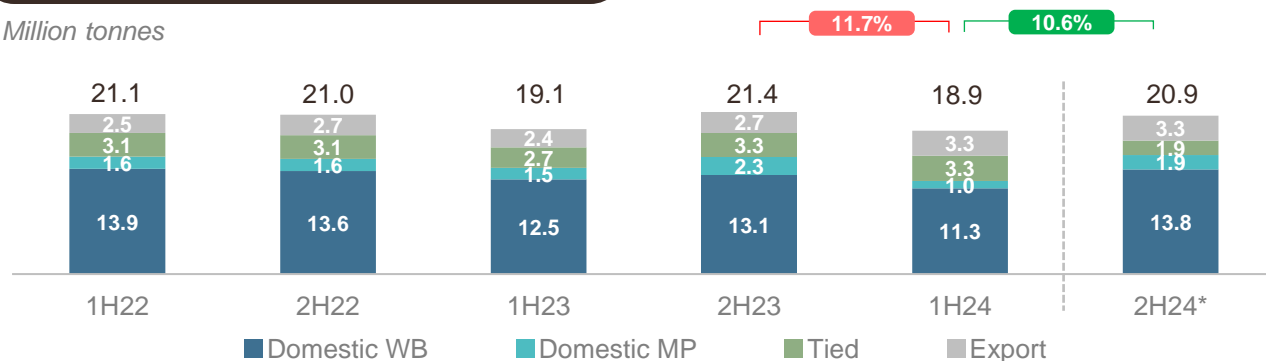
Movement 1H24 vs 2H23

Million tonnes

		<u>Product</u>	<u>Sales</u>	
			Domestic	Export
Waterberg (WB)				
Grootegeeluk	Mainly Eskom	(2.2)	(1.8)	-
Mpumalanga (MP)				
		(0.6)	(1.3)	0.7
Belfast	In line	(0.1)	(0.8)	0.6
Matla	In line	-	-	-
Leeuwpán	Value driven	(0.4)	(0.4)	0.1
Mafube	In line	(0.1)	(0.1)	-
Buy-ins and stock movement		-	-	(0.1)
Total		(2.8)	(3.1)	0.6

Total sales

Million tonnes

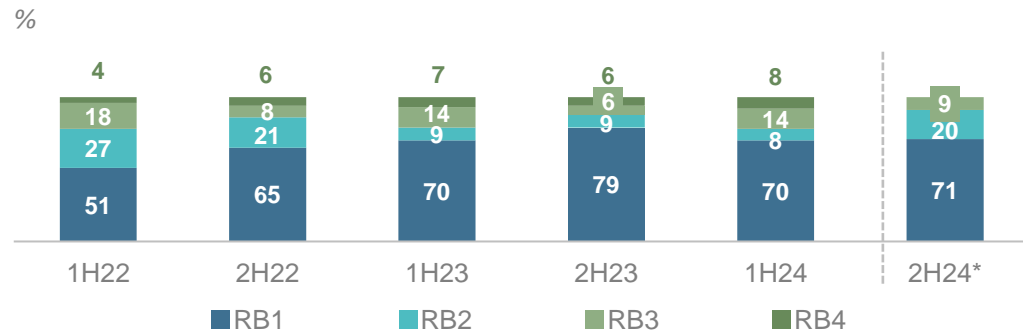


* Based on latest internal forecast (could vary by ± 5%)

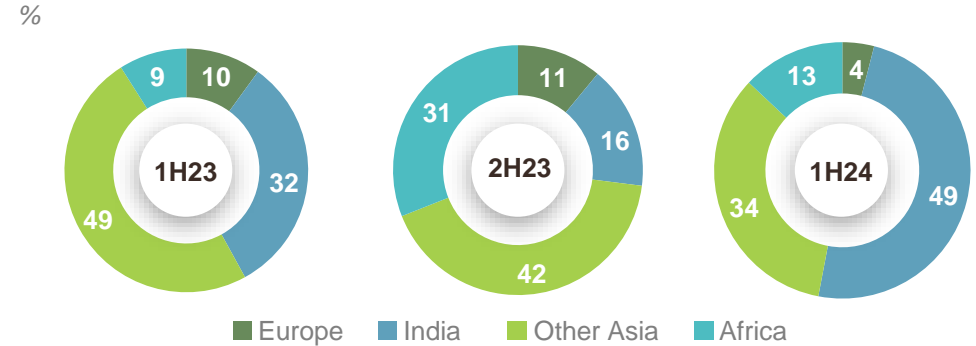
Market-to-Resource optimisation enabling value creation

- ➔ **Early Value and Market-to-Resource optimisation strategies** resulting in a high-quality export mix
- ➔ **Continued high price realisation levels** mitigating lower API4 prices
- ➔ **Export growth** enabled by new logistics channels
- ➔ **Success in Indian and Asian markets** with our competitive product mix

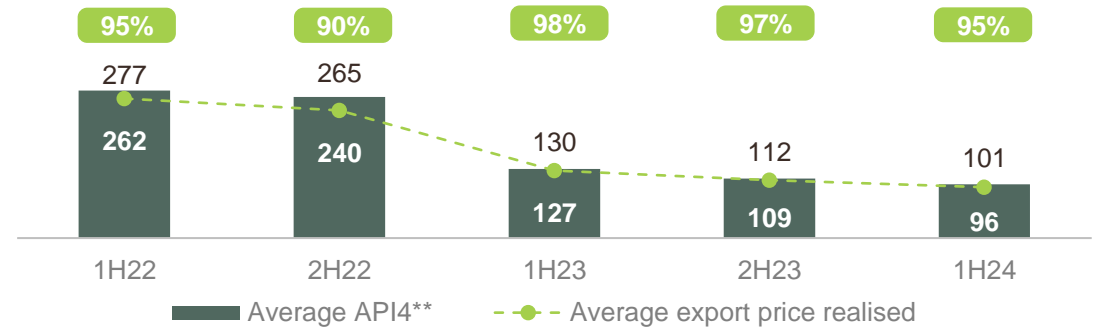
Export product mix



Exxaro export sales destinations



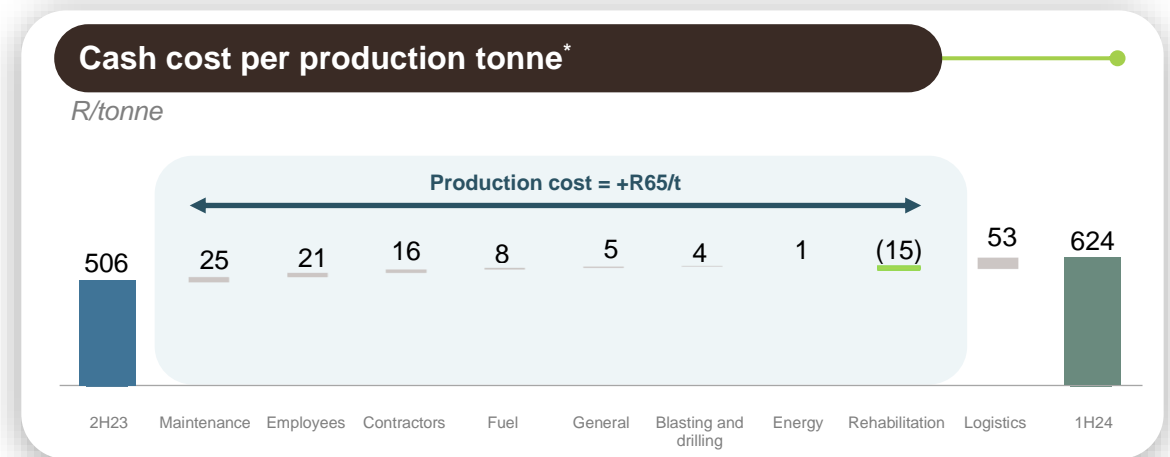
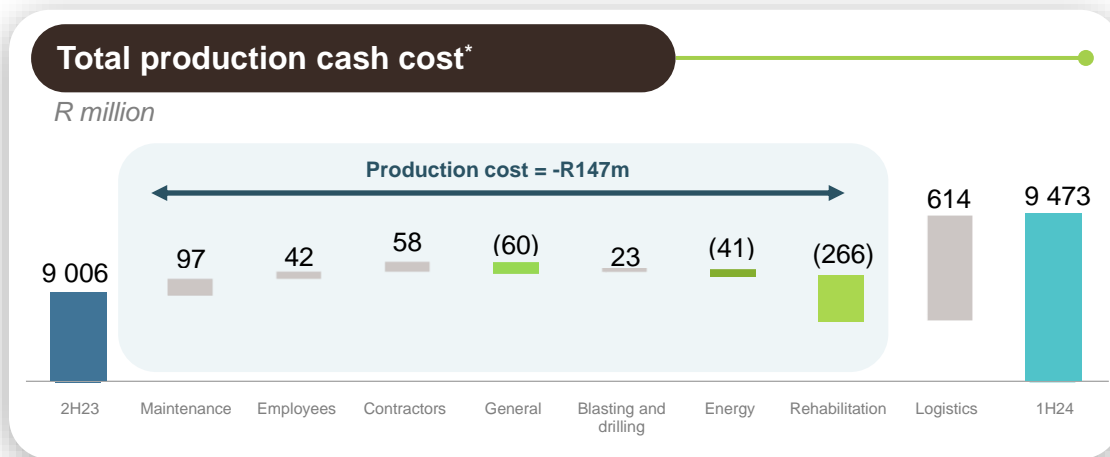
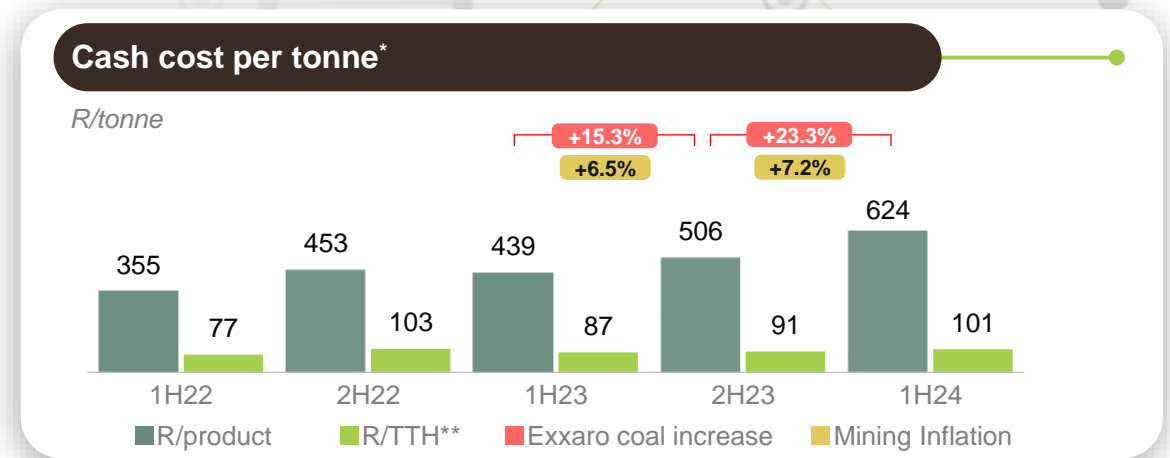
Average realised prices



* Based on latest internal forecast (could vary by ± 5%) ** Source: Argus/McCloskey Price Index

Maintaining total production costs despite volume pressures

- ➔ Total production cash cost contained, 2.1% below mining inflation
- ➔ Alternative logistics channels, rendering returns
- ➔ Unit cost impacted by reduced offtake
- ➔ Data driven insights enabling operational excellence



* Excluding Matla and Mafube Coal buy-ins (cost restated excluding stock movements, royalties and foreign exchange impacts) ** Total tonnes handled

Delivering on capital excellence

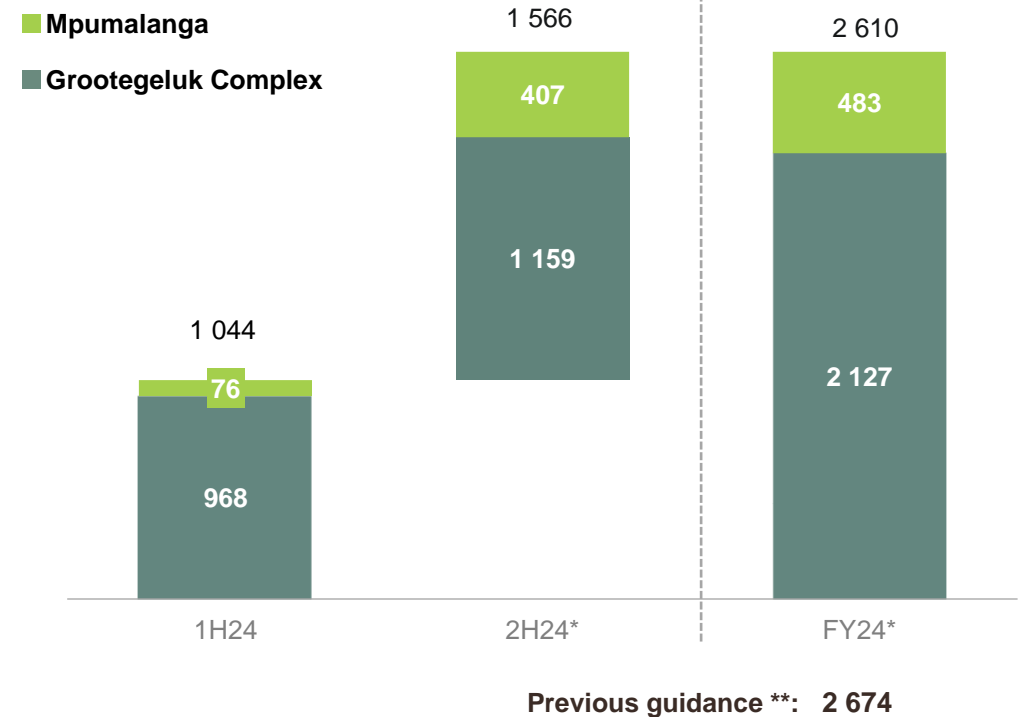
- Total capex **2% below** previous guidance
- Continue to benefit from **Capital Excellence** and **Early Value Strategy**
- **Prioritise capital** to effectively sustain business
- Guide to sustain business within a range of **R2.5bn to R3bn p/a** (real FY22)

Major projects breakdown

Major projects	1H24	2H24
<i>R million</i>		
Equipment strategy	550	690
In pit conveyancing system	170	200
License to operate infrastructure	40	380
	760	1 270

Capital profile

R million



* Based on latest internal forecast (could vary by ± 5%), Moranbah South excluded ** June 2024



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Group financial performance



Riaan Koppeschaar

Finance Director

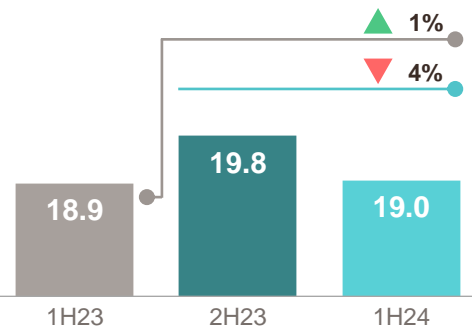


Healthy balance sheet amid tough market conditions



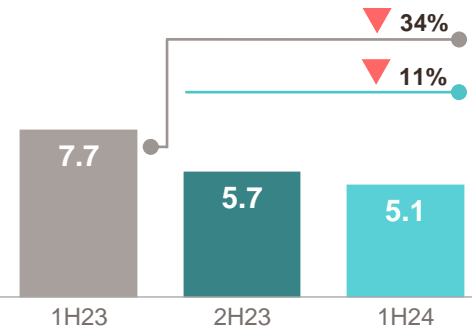
Revenue

R billion



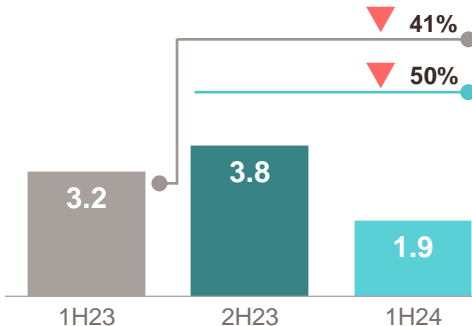
EBITDA

R billion



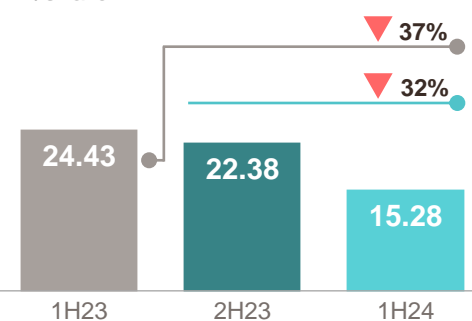
Equity income

R billion



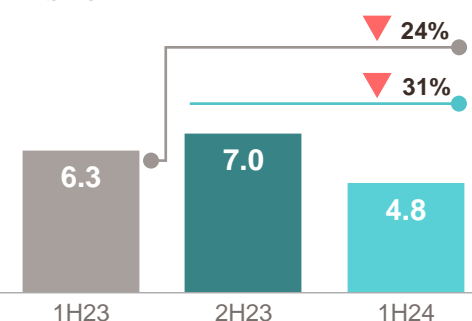
HEPS

R/share



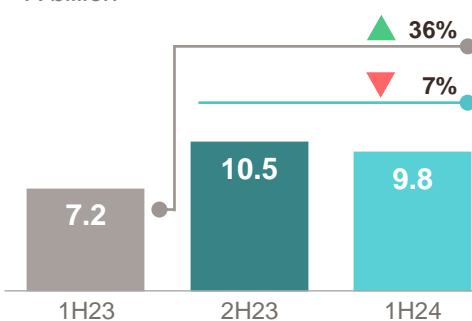
Cash generated

R billion

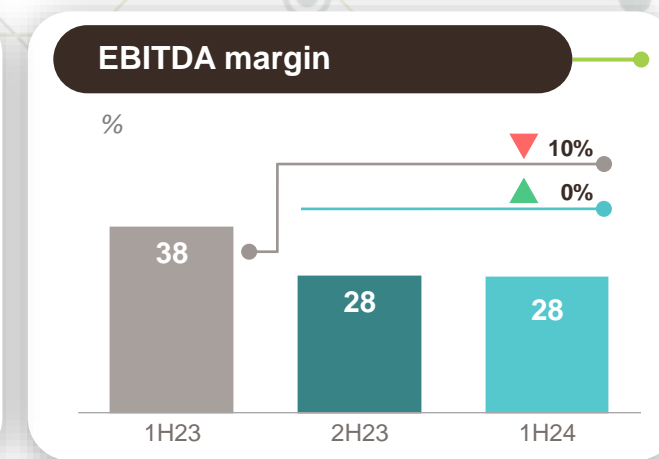
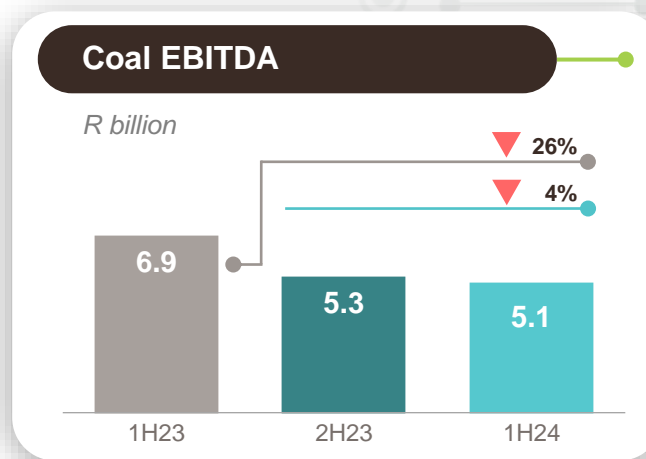
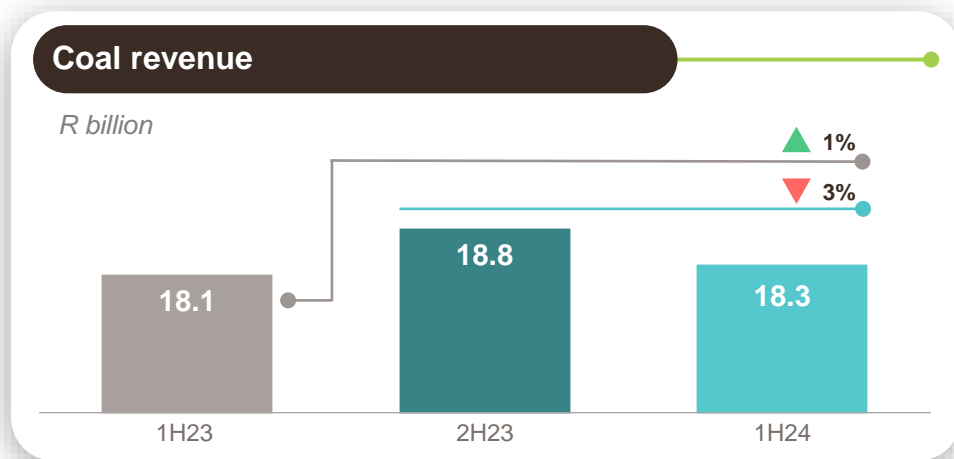


Net cash

R billion



EBITDA reflects lower prices with increased logistics costs

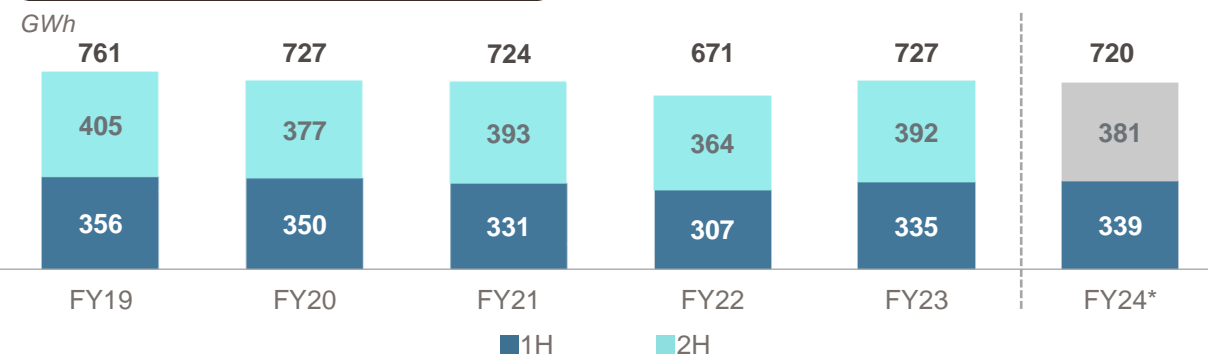


Coal revenue	2H23	1H24
<i>R million</i>		
Total coal revenue	18 820	18 251
Commercial Waterberg	11 112	10 657
Commercial Mpumalanga	4 666	4 636
Tied Mpumalanga – Matla	3 042	2 958

Coal EBITDA	2H23	1H24
<i>R million</i>		
Total coal EBITDA	5 291	5 060
Commercial Waterberg	5 250	5 150
Commercial Mpumalanga	489	(39)
Tied Mpumalanga – Matla	91	93
Other	(539)	(144)

Cennergi stable performance

Wind electricity generation



Performance	Unit	2H23	1H24
Energy generation	GWh	392	339
Revenue	Rm	735	652
Operational EBITDA	Rm	587	517
Operational EBITDA margin	%	80	79
Project financing debt**	Rm	4 825	5 072
Project financing charges#	Rm	284	274
LSP cumulative project cost###	Rm	321	389

* 2H24 based on latest internal forecast ** Includes LSP project financing debt # Effective interest paid on project financing, excluding LSP which is capitalised

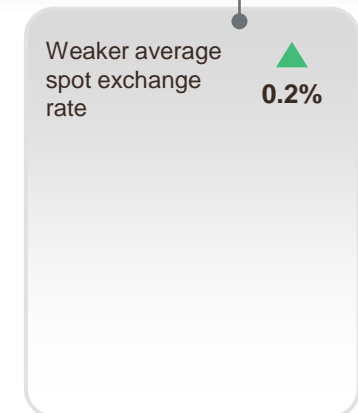
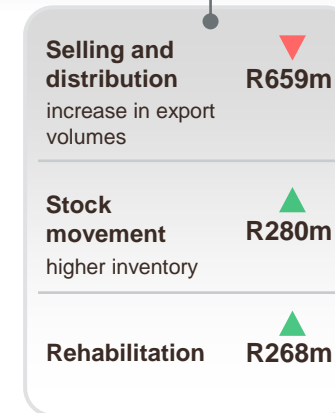
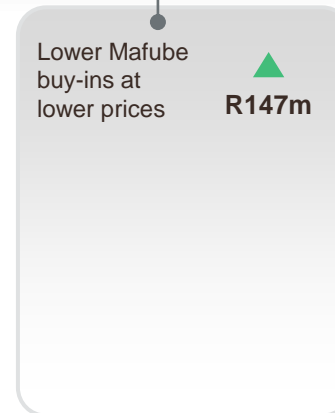
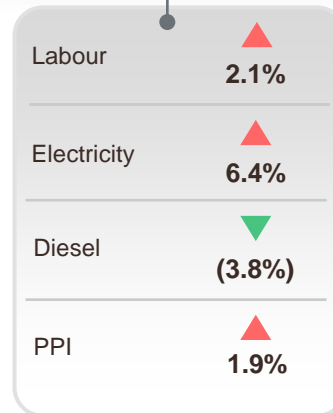
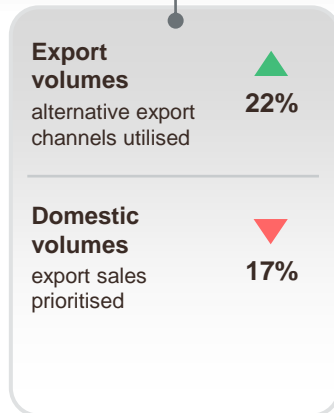
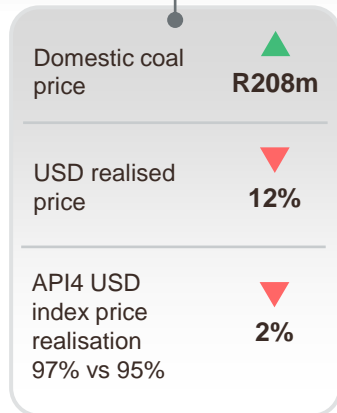
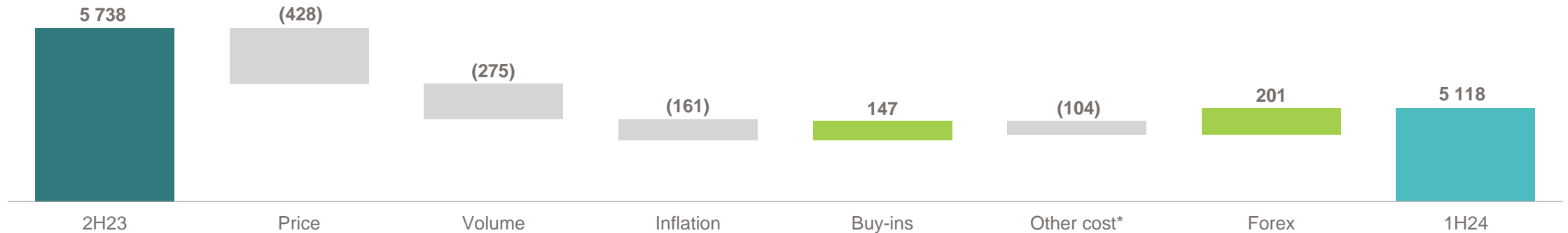
Lephalale Solar Project actual project cost incurred includes cumulative contractor payments, capitalised borrowing costs and other project financing related fees



Export volume growth through alternative distribution channels

Group EBITDA

R million

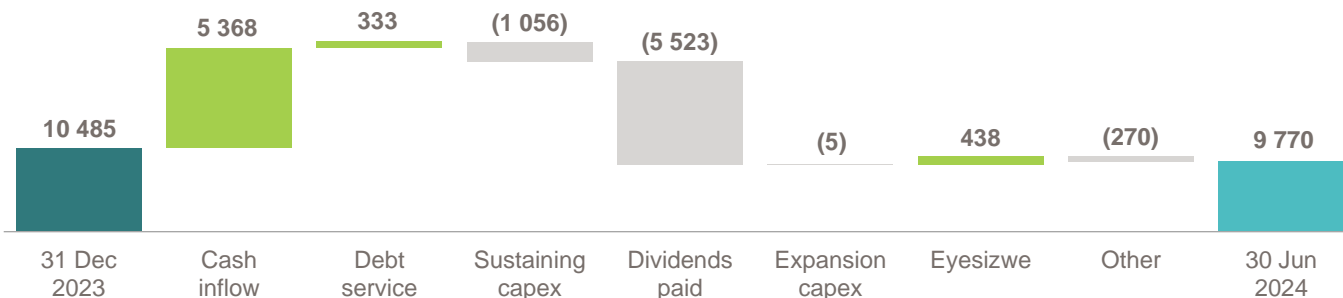


* Total EBITDA variance for Matla included = +R2 million

Balance sheet well positioned for growth

Net cash/(debt)

R million



Energy net debt **(R4.3bn)**

Rest of Exxaro net cash **R14.8bn**

Cash generated from operations after tax paid **R3.3bn**

SIOC dividend received **R2.1bn**

SIOC **(R2.1bn)**

Rest of Exxaro **(R3.4bn)**

Vested equity schemes **(R308m)**

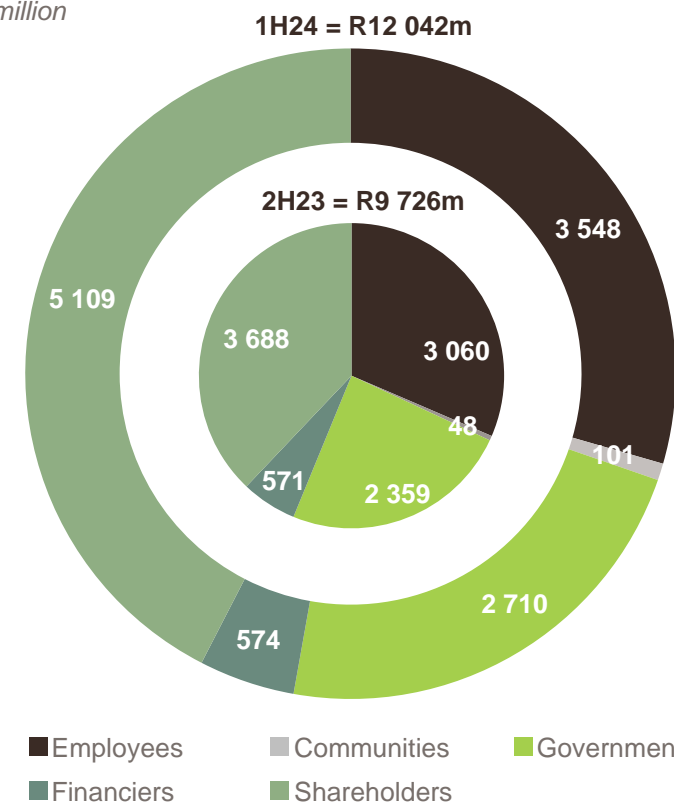
Translation of cash and cash equivalents **R44m**

Energy net debt **(R4.2bn)**

Rest of Exxaro net cash **R14.0bn**

Stakeholder value created

R million



Sustainable shareholder returns

Dividend declared

	Interim	Total	Final	Special
	1H24	FY23	2H23	2H23
Dividend cover: Group adjusted earnings* (times)	2.5	2.5	2.5	
SIOC dividend declared (Rm)	1 634	5 074	2 107	
Dividend declared per share (cents)	796	2 725	1 010	572
Dividend declared (Rm)	2 780	9 519	3 528	1 998
Eyesizwe	857	2 933	1 087	616
Other	1 923	6 586	2 441	1 382

* Cover calculated on adjusted attributable earnings

Capital allocation framework





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Outlook

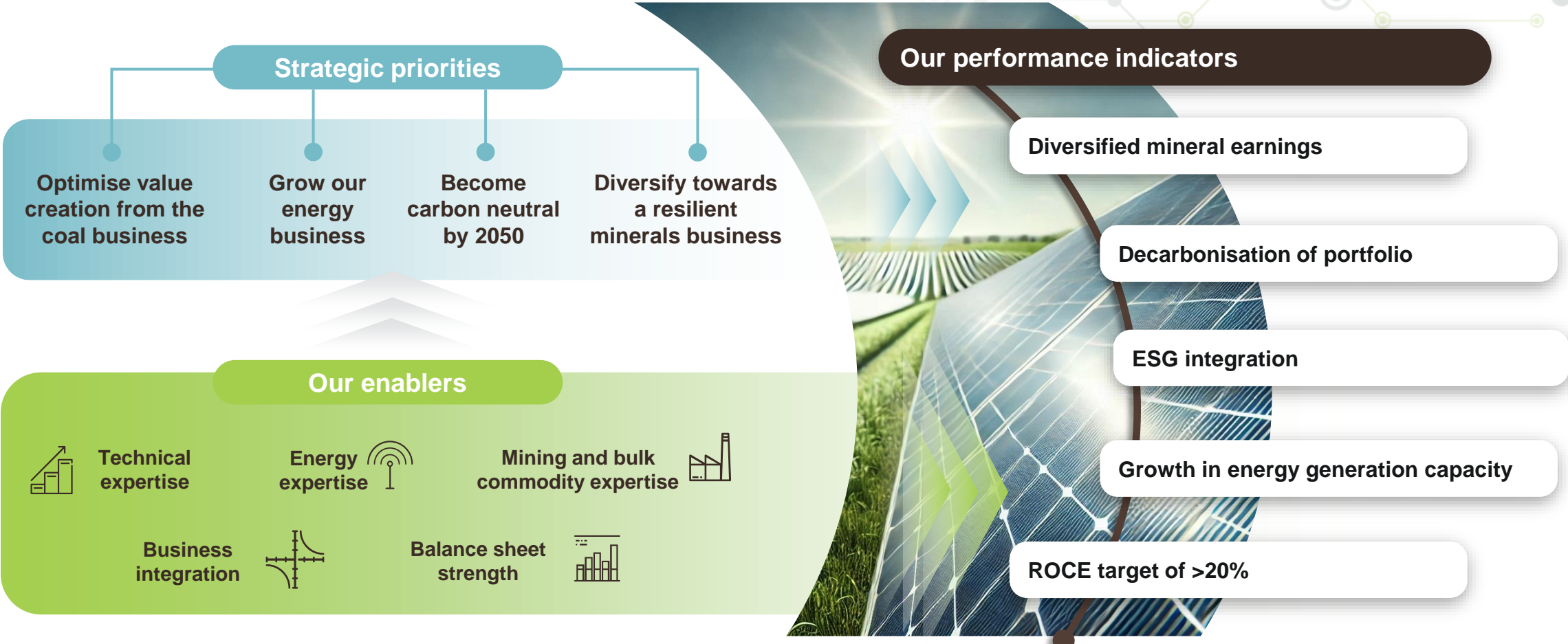


Nombasa Tsengwa

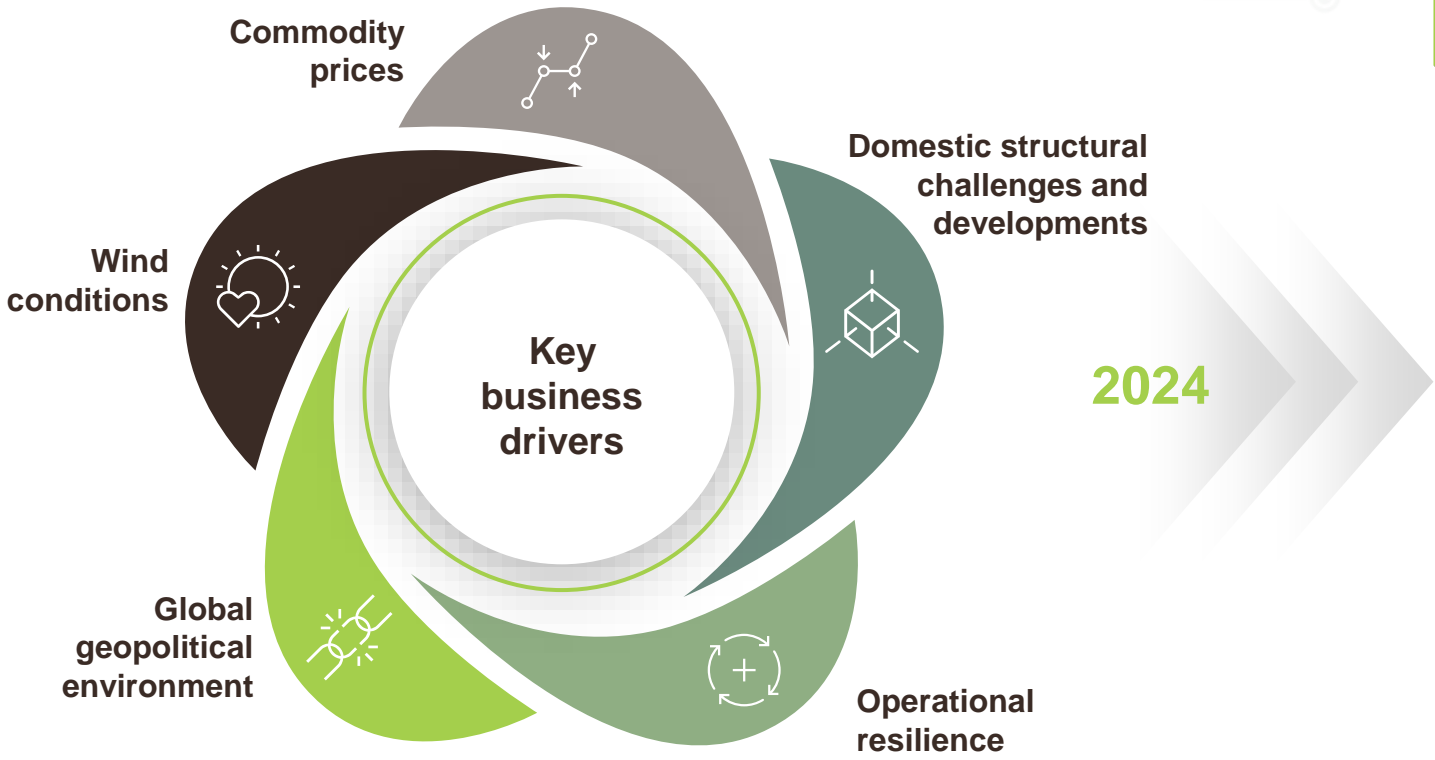
Chief Executive Officer



Evolving our business on the back of a robust coal business



Responding to market dynamics with continued agility



Full year outlook

Coal production	39.0 - 43.2 million tonnes
Coal sales	38.4 - 42.4 million tonnes
Coal export sales	5.7 - 6.3 million tonnes
Coal sustaining capital spend	R2.5 - 3 billion
Wind energy generation	700 - 720 GWh

Looking ahead with cautious optimism



Promising
legislation



Infrastructure
investment



Energy
security



Bullish market
sentiment



Private-public
sector collaboration



Thank you





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Additional information



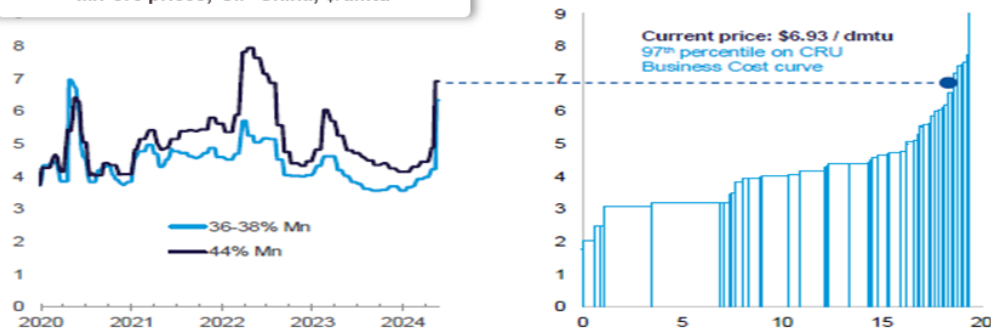
A sample of commodities Exxaro is considering for M&A

Manganese overview

Short term outlook

- **Ore prices have risen recently:**
 - ✓ The fallout from the stoppage of South32's GEMCO mine has continued to dominate pricing in the manganese ore market
- **Market participants divided on price outlook:**
 - ✓ Customers are being flexible and inventive in terms of using alternative lower-grade ores, especially in China
 - ✓ Market participants are divided as to how prices will move through H2 2024
- **Consumption weaker than underlying demand:**
 - ✓ Consumption being weaker than underlying demand fundamentals does however mean that there will likely be a rebound of demand moving into 2025, which should cushion the extent of the ore price decline as supply normalizes
- **Reduced global manganese output:**
 - ✓ Market expects world ore production of only 18.1 Mt in 2024, down from 19.1 Mt in the April short-term outlook

Mn ore prices, CIF China, \$/dmu



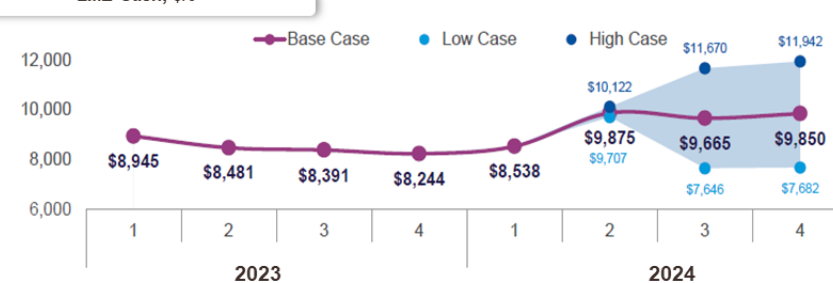
Source: CRU manganese and copper market outlooks

Copper overview

Short term outlook

- **Copper finds a new level, with further gains on the horizon**
 - ✓ The medium-term price trajectory is up, with the AI storm augmenting an already positive demand narrative. However, mine supply is responding, even if the mega projects remain on the shelf
- **\$10,000+ /t should be the new normal for copper, but the supply/demand balance does not support runaway prices**
 - ✓ The copper price reached a new nominal record high in May, as positive fundamental and non-fundamental factors coalesced. A modest near-term pullback aside, the market is well supported.
 - ✓ The short-term supply/demand balance should underpin higher but not stratospheric prices
- **Battery electric vehicle volumes continue growing albeit at a more sedate pace**
 - ✓ Although long-term growth prospects remain strong, economic factors, policy changes, and a lack of affordability have caused a slower EV growth rate.

LME Cash, \$/t



Positioning Exxaro to win through our Sustainable Growth and Impact (SG&I) strategy

Transition at speed and scale

Minerals and energy business that thrives

People empowered to create impact

Catalyst for economic growth & environmental stewardship

Carbon neutral by 2050

Climate resilience



Achieve carbon neutrality by 2050



Maximise coal runway through Early Value Strategy & Market-to-Resource



Reduce climate-related risks



Deliver positive social impact

Sustainable

Build businesses that thrive



Diversify towards resilient minerals – contributing 50% coal EBITDA in 2030



Grow renewable energy business to 1.6GW by 2030



Disciplined capital allocation that maximises value



Robust investment process

Growth

Socio impact catalyst



Deliver social, economic and environmental impact



Contribute towards sustainable livelihood



Strengthen contribution towards a just energy transition



Go beyond compliance and measure impact

Impact

Executing on our Sustainable Growth and Impact strategy



SG&I strategy execution*

Strategic stakeholder partnerships

Modern technological advancements

Sustainability focus

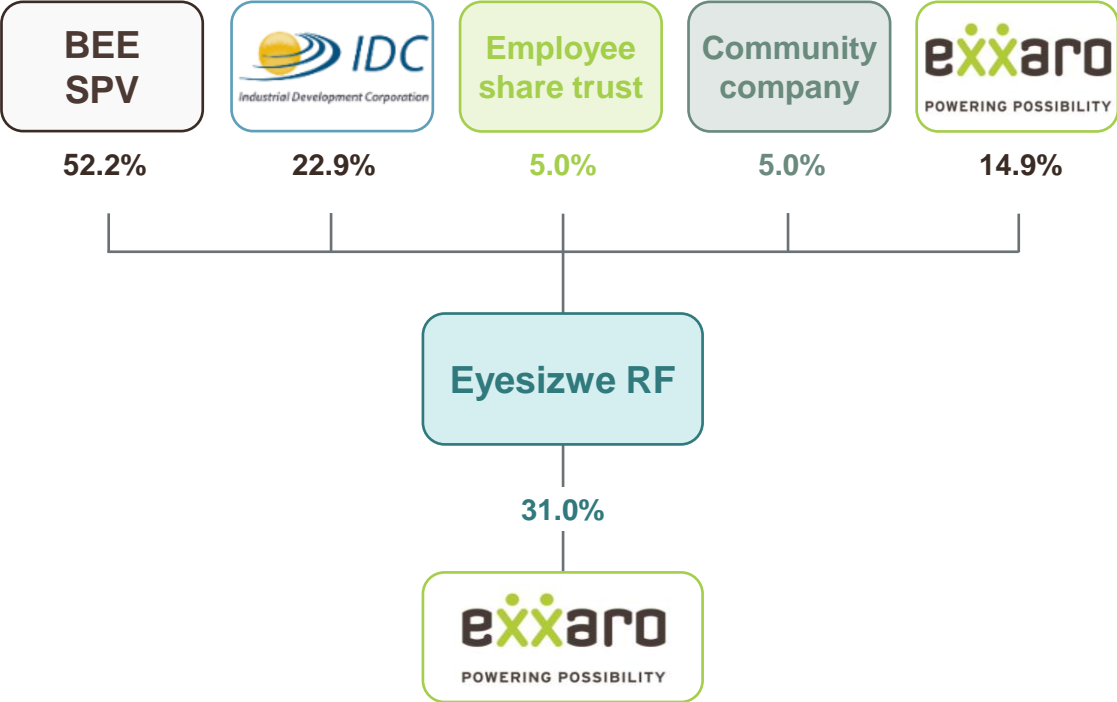
Financial discipline

Resourcing for growth

* Sustainable Growth and Impact strategy

BEE structure unwind

Structure



Timeline

- Eyesizwe RF has the option to release up to 40.4 million Exxaro shares in December 2024. Shareholders can:
 - hold Exxaro shares directly
 - dispose them through a coordinated sales process
- Remaining shares can be released in three equal tranches at the end of 2025, 2026 and 2027:

Tranche	Date	Maximum number of Exxaro shares released
1 st	11 Dec 2024	40 390 461
2 nd	11 Dec 2025	22 407 188
3 rd	11 Dec 2026	22 407 188
4 th	11 Dec 2027	22 407 189

- Consultation with Eyesizwe RF to determine shareholder preferences
- Joint Exxaro/Eyesizwe RF committee to oversee process
- Employee share trust and Community Company evergreen vehicles

Coal | Product volumes

'000 tonnes

	1H23	2H23	1H24	2H24*
Thermal production	18 819	21 005	18 210	19 478
Grootegeluk	12 706	13 393	11 272	13 337
Matla	2 653	3 357	3 291	1 908
Leeuwpans	1 729	1 513	1 133	1 646
Belfast	1 079	1 829	1 734	1 640
Mafube	652	913	780	947
Buy-ins	175	-	-	-
Total thermal product (including buy-ins)	18 994	21 005	18 210	19 478
Total metallurgical production – Grootegeluk	1 388	1 077	1 042	1 626
Total product	20 382	22 082	19 252	21 104

* Based on latest internal forecast (could vary by ± 5%)

Coal | Sales volumes

'000 tonnes

	1H23	2H23	1H24	2H24*
Sales to Eskom	14 139	15 569	13 858	15 746
Grootegeluk	11 481	12 212	10 572	12 880
Matla	2 658	3 357	3 286	1 901
Leeuwpán	-	-	-	965
Other domestic thermal coal sales	2 204	2 821	1 404	1 551
Grootegeluk	681	550	406	611
Leeuwpán	1 058	1 083	725	545
Belfast	374	978	172	175
Mafube	91	210	101	220
Exports	2 448	2 661	3 242	3 337
Grootegeluk	980	812	795	1009
Leeuwpán	431	260	376	311
Belfast	648	762	1 368	1 364
Mafube	597	707	683	653
Buy-ins and inventory	(208)	120	20	-
Total thermal coal sales	18 791	21 051	18 504	20 634
Total domestic metallurgical coal sales	340	344	351	314
Total sales	19 131	21 395	18 855	20 948

* Based on latest internal forecast (could vary by ± 5%)

Coal | Sensitivities – 1H24

R million

	Sensitivity	EBITDA Impact
Environmental rehabilitation discount rate decrease	1%	(184)
Environmental rehabilitation discount rate increase	1%	168
Domestic sales volumes	1%	146
Royalty cost	1%	183
Production cost	1%	100
Export price per tonne	US\$1	61
Export sales volumes	1%	17
Exchange rate	10 cent	26
Labour	1%	17
Logistics	1%	22
Fuel	1%	9
Energy	1%	4

Financial overview | Group IFRS

<i>R million</i>	1H23	% change	2H23	% change	1H24
Revenue	18 943	4	19 755	(4)	18 981
Operating expenses	(12 626)	(22)	(15 445)	1	(15 287)
Net operating profit	6 317	(32)	4 310	(14)	3 694
Net operating profit margin (%)	33	(11)	22	(3)	19
Post-tax equity-accounted income	3 164	21	3 823	(50)	1 916
Attributable earnings: owners of parent	5 905	(9)	5 387	(32)	3 686
Headline earnings*	5 912	(8)	5 415	(32)	3 697
EBITDA*	7 661	(25)	5 738	(11)	5 118
Cash generated by operations	6 252	13	7 055	(32)	4 803
Capital expenditure	801	137	1 898	(44)	1 061
Net debt/(cash)	(7 225)	(45)	(10 485)	7	(9 770)
Attributable earnings per share (cents)**	2 440	(9)	2 226	(32)	1 523
Headline earnings per share (cents)**	2 443	(8)	2 238	(32)	1 528

* Non-IFRS number ** Based on a weighted average number of shares of 242 million

Financial overview | Non-core adjustments*

<i>R million</i>	1H23	2H23	1H24
Coal			
Loss on disposal of property, plant and equipment	(11)	(9)	(9)
Other			
Loss on disposal of property, plant, equipment and intangible assets		(37)	(11)
Non-core adjustment impact on net operating profit	(11)	(46)	(20)
Post-tax equity-accounted income	(1)	(3)	(1)
Tax on items with impact on net operating profit	3	12	6
Non-controlling interest on non-core adjustments	2	9	4
Total non-core adjustment impact on attributable earnings	(7)	(28)	(11)

* Equal to headline earnings adjustments

Financial overview | Group adjusted

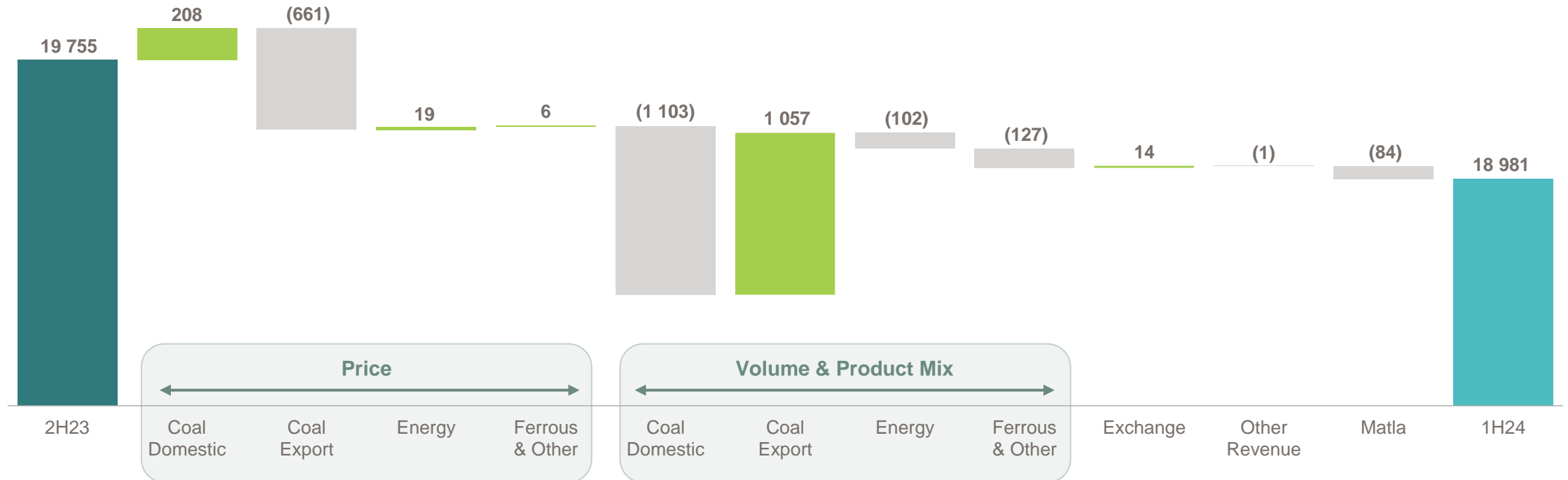
<i>R million</i>	1H23	2H23	1H24
Revenue	18 943	19 755	18 981
Operating expenses	(12 615)	(15 399)	(15 267)
Add back: Depreciation	1 333	1 382	1 404
EBITDA*	7 661	5 738	5 118
EBITDA margin	40	29	27
Post-tax equity-accounted income	3 165	3 826	1 917
Headline earnings*	5 912	5 415	3 697
Headline earnings per share (cents)**	2 443	2 238	1 528
Average R/US\$ rate			
• Realised	18.36	19.40	19.34
• Spot	18.21	18.68	18.72
Average API4 export price (US\$/tonne)	129.50	112.49	101.05
Average coal export price realised			
• US\$/tonne	126.61	108.72	95.82
• R/tonne	2 306	2 031	1 794

* Non-IFRS number ** Based on a weighted average number of shares of 242 million

Group | Revenue

2H23 vs 1H24

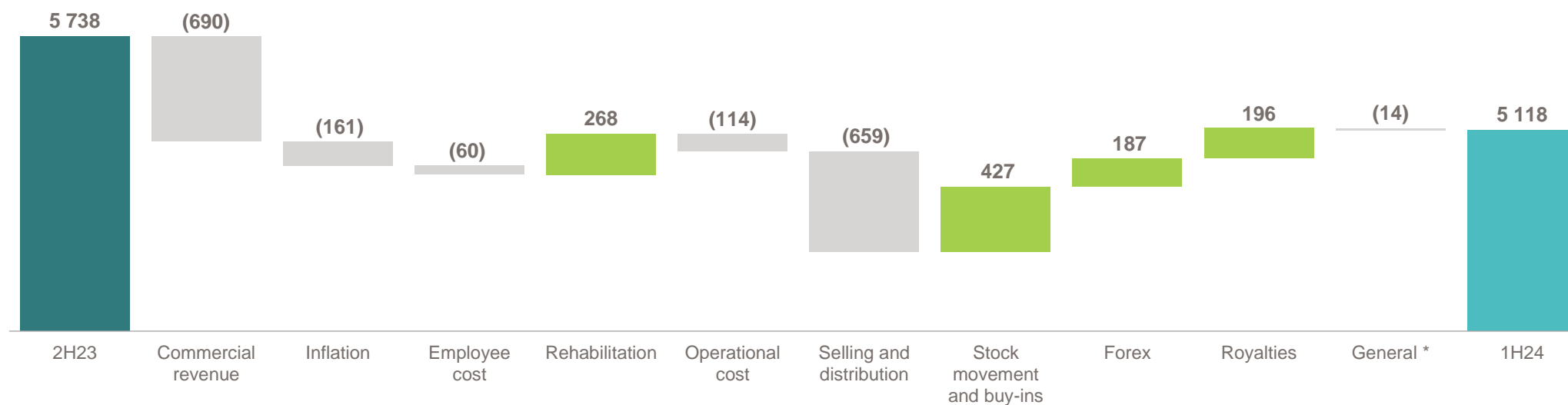
R million



Group | EBITDA

2H23 vs 1H24

R million



	2H23	Commercial revenue	Inflation	Employee cost	Rehabilitation	Operational cost	Selling and distribution	Stock movement and buy-ins	Forex	Royalties	General *	1H24
Coal	5 291	(485)	(152)	(23)	266	(139)	(660)	376	188	196	202	5 060
Energy	547	(83)	(3)	(4)	1	9					3	470
Ferrous	31	(118)	(3)	2	1	16		57			2	(12)
Other	(131)	(4)	(3)	(35)			1	(6)	(1)		(221)	(400)
	5 738	(690)	(161)	(60)	268	(114)	(659)	427	187	196	(14)	5 118

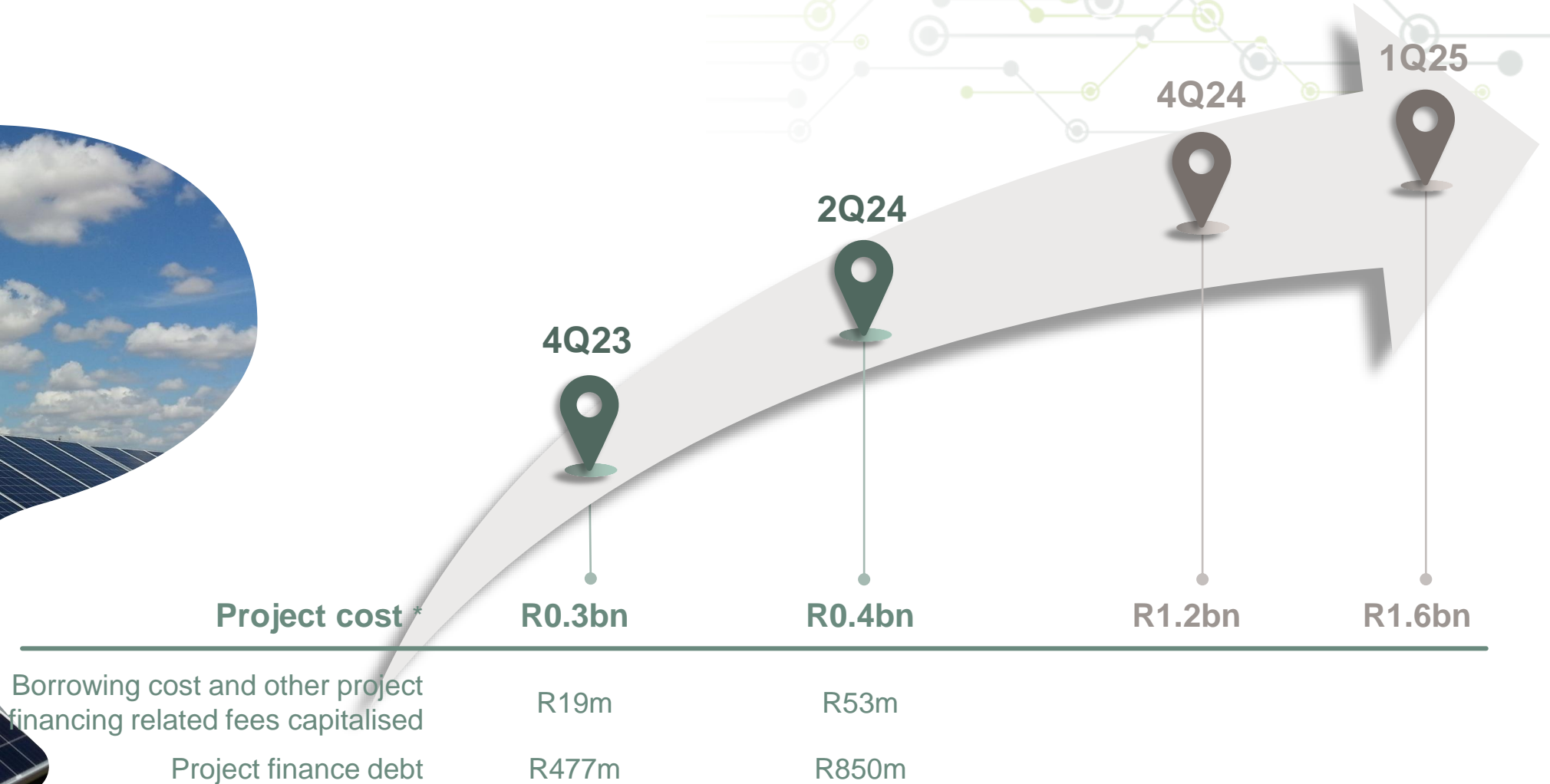
* Total EBITDA variance for Matla included = +R2 million

Financial overview | Group adjusted* earnings

<i>R million</i>	1H23	2H23	1H24
Net operating profit	6 328	4 356	3 714
Income from investments		2	
Net financing income: Exxaro excluding Energy	306	486	540
Net financing cost: Energy	(229)	(245)	(223)
Post-tax equity-accounted income	3 165	3 826	1 917
• Coal: RBCT	2	(10)	3
Mafube	276	234	60
• Ferrous: SIOC	2 631	3 526	1 937
• Other: Black Mountain	256	76	(83)
Tax	(1 876)	(1 370)	(1 131)
Non-controlling interest	(1 782)	(1 640)	(1 120)
Attributable earnings	5 912	5 415	3 697
Attributable earnings per share (cents)	2 443	2 238	1 528
WANOS**	242	242	242

* Adjusted with headline earnings adjustments ** Weighted average number of shares

Lephalale Solar Project construction progresses



* Includes cumulative contractor payments, capitalised borrowing cost and other project financing related fees

Capital funding structure | Exxaro excluding Energy

R million

	Facilities available		
	Drawn	Undrawn/ committed	Uncommitted
Term loan and revolving facility	3 175	3 250	2 000**
DMTN* programme			5 000#
Interest-bearing borrowings	3 175		
Interest capitalised	57		
Lease liabilities	370		
Capitalised transaction costs	(7)		
Total interest-bearing debt	3 595		
Current	557		
Non-current	3 038		
Net cash and cash equivalents	(17 608)		
Net cash	(14 013)		

Maturity profile of debt

Repayment period	3 595
Less than 6 months	306
6 – 12 months	251
1 – 2 years	2 789
2 – 3 years	82
3 – 4 years	90
4 – 5 years	77

* Domestic medium-term note ** Uncommitted Accordion facility # Uncommitted but available on market take-up

Capital funding structure | Energy

R million

Facilities available

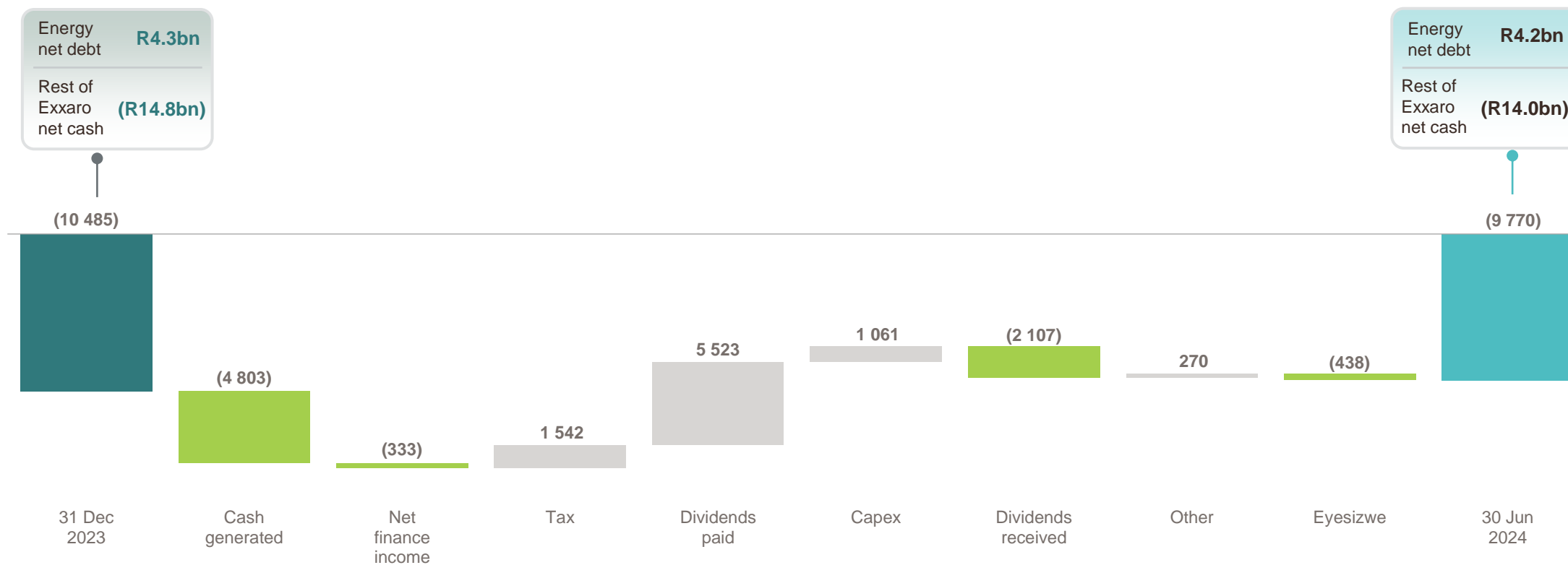
	<i>Drawn</i>	<i>Undrawn/ committed</i>
Project financing	5 080	936
Interest-bearing borrowings	5 080	
Interest capitalised	4	
Lease liabilities	62	
Capitalised transaction costs	(12)	
Total interest-bearing debt	5 134	
Current	317	
Non-current	4 817	
Net cash and cash equivalents	(891)	
Net debt	4 243	

Maturity profile of debt

Repayment period	5 134
Less than 6 months	152
6 – 12 months	165
1 – 2 years	394
2 – 3 years	507
3 – 4 years	620
4 – 5 years	746
> 5 years	2 550

Group | Net debt/(cash)

June 2024



Performance | Key indicators

	Target	1H23	2H23	1H24
<u>Internal key performance indicators</u>				
EBITDA interest cover* # (times) (6 months)	>4			
Net debt/(cash): equity* (%)	<40	(19)	(23)	(22)
Net debt: EBITDA* ## (times) (12 months)	<1.5			
Return on total capital employed* (%)	>20	41	39	30
Return on total capital employed (%) (12 months)	>20	36	35	27
<u>Bank covenants**</u>				
Net debt/(cash): equity (%)	<80	(18)	(22)	(21)
EBITDA interest cover# (times)	>4			
Net debt: EBITDA## (times)	<3			

* Performance indicators exclude Energy segment ** Including dividends received from associates and contingent liabilities, except DMRE guarantees and excluding project financing entities

Exxaro is in a net finance income position ## Exxaro is in a net cash position