

Annual Financial Results

Presentation for the year ended 31 December 2022





Welcome and Introduction

Nombasa Tsengwa | Chief Executive Officer



Macro View and Performance Highlights

Nombasa Tsengwa | Chief Executive Officer



Minerals Operational Performance

Kgabi Masia | Managing Director Minerals



Financial Results

Riaan Koppeschaar | Finance Director



Outlook

Nombasa Tsengwa | Chief Executive Officer



Welcome and Introduction

Macro View and Performance Highlights

Nombasa Tsengwa | Chief Executive Officer



Macro environment in FY22 | Global markets



European **energy crisis** impacts
seaborne thermal coal trade



China's restrictive Covid-19 policies
impact global growth



Mixed portfolio with coal and iron
ore **prices**



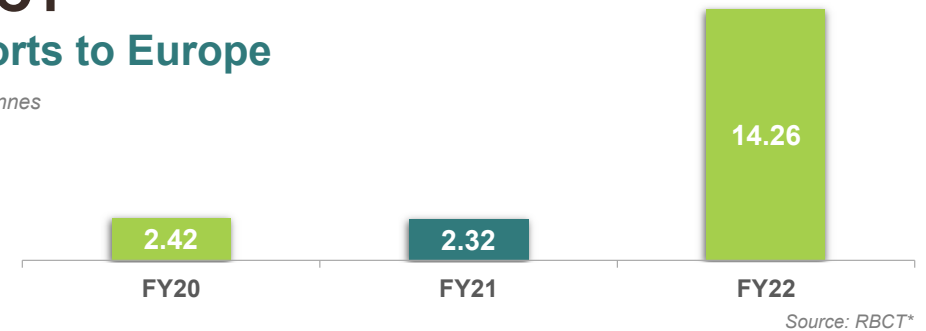
Global **recessionary risks** emerge



Cost containment in high
inflationary environment

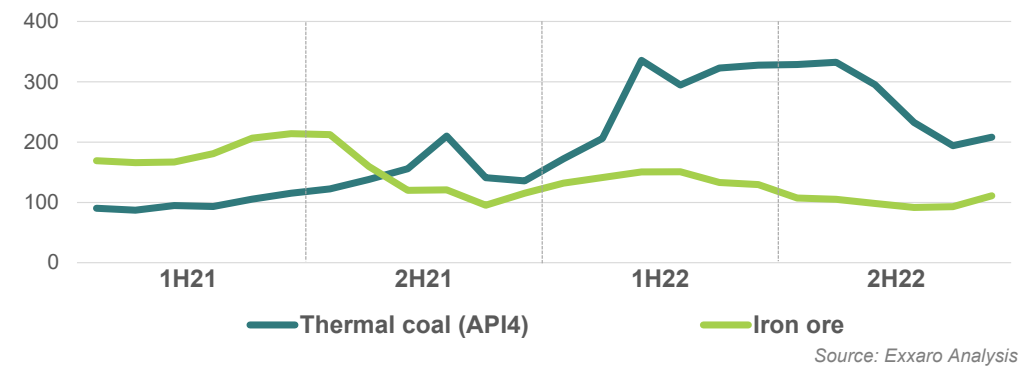
RBCT exports to Europe

Million tonnes



Price coal and iron ore

US\$ per tonne



* Richards Bay Coal Terminal

...and South Africa has become a different place to do business



Logistics challenges limit access to markets



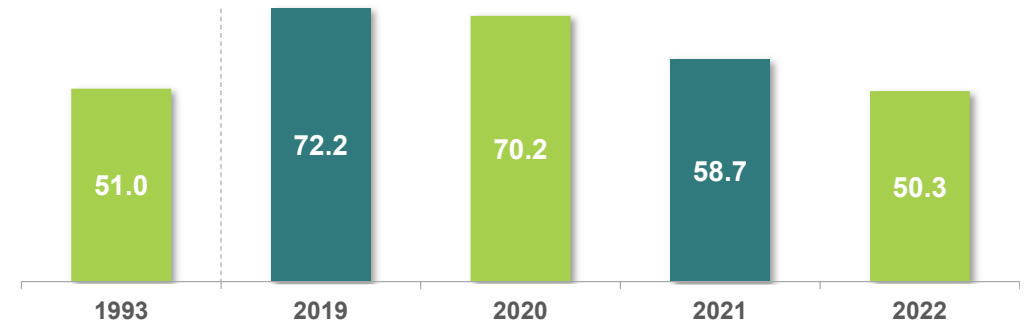
Electricity shortage presents challenges to business



Government enablement needed to unlock constraints

South Africa thermal coal exports

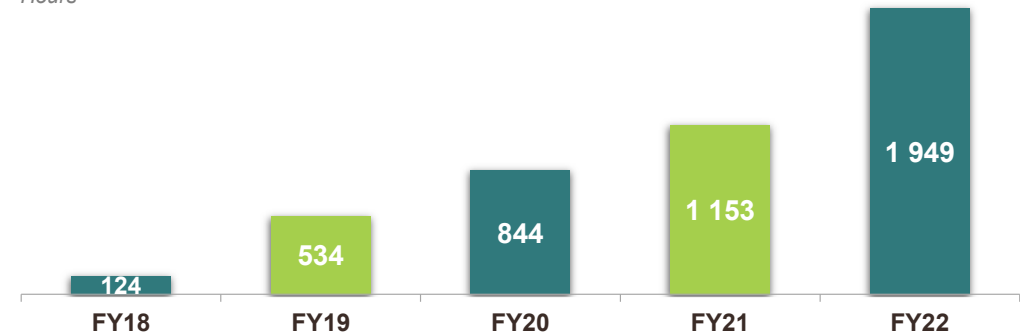
Million tonnes



Source: RBCT

Hours of national loadshedding

Hours



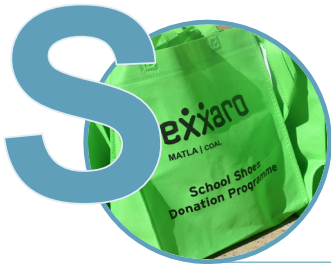
Source: MCSA*

* Mineral Council South Africa

Highlights | Environmental, Social and Governance



- Contribution to **Africa's biodiversity**



- **0.05** group LTIFR* (Target = 0.06)
- **1 fatality** (after 5 years and 5 months fatality free years)
- Direct **social** investments (R1.6 billion)



- Committed to **empowering communities**
- Well established **processes and systems** to manage **environmental** and **social impacts**

* Lost time injury frequency rate per 200 000 man hours worked

Highlights | Operational



Coal product

43.1 Mt
↑ 1.4%



Coal cost

12.7%
↓ 1.1%
below mining inflation



Price realisation

93%
of API4



Wind energy delivered

671 GWh
↓ 7%

Highlights | Financial



EBITDA
R19.0 billion
↑ 78%



HEPS*
R60.16
↑ 28%



ROCE**
47%
↑ 13%



**Final
dividend**
R11.36

* Headline earnings per share ** Adjusted for non-core items

Minerals Operational Performance

Kgabi Masia | Managing Director Minerals



Safety, Environmental & Social Impact* | Our drive for a safe sustainable future

Safety

0.05 LTIFR

↓ 38%

1 fatality ↑

17% rehabilitation of land disturbed

Stable performance →

0 level 2 & 3 (major) incidents

Stable performance →



Environment

Social Value

R1.6bn

↑ 14%

150 l/t ROM** water intensity

Stable performance →

5.54 tCO₂e/kt TTH# carbon intensity

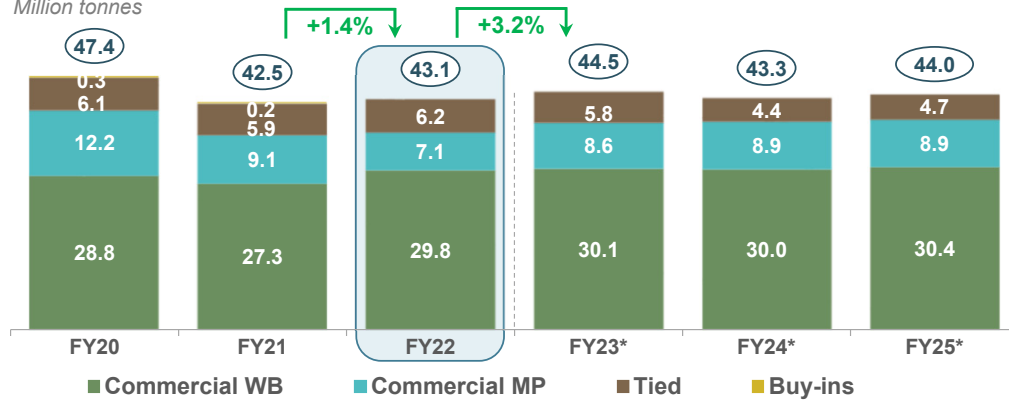
Stable performance →

* Performance measured against FY21 ** Run-of-mine # Total tonnes handled

Coal volumes | Operational resilience enabling value

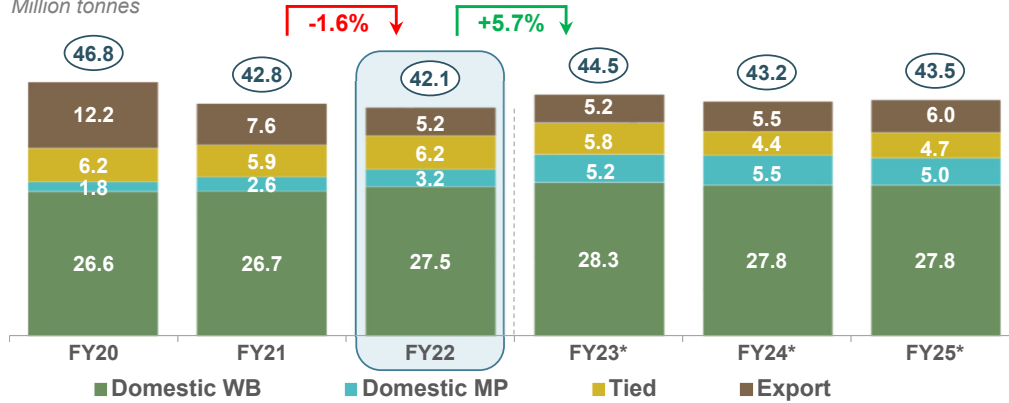
Total product

Million tonnes



Total sales

Million tonnes



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

Movement FY22 vs FY21

Million tonnes

		Product	Sales	
			Domestic	Export
Waterberg (WB)				
• Grootegeluk	Ramping up GG6, enabling production flexibility	2.5	0.8	0.1
Mpumalanga (MP)		(1.7)	0.9	(2.0)
• Belfast	Alternative distribution channels	(0.1)	0.4	(0.4)
• Matla	Good performance at Mine 2 & 3	0.3	0.3	
• Leeuwpan	Demand in local market & alternative distribution channels	0.2	0.8	(0.6)
• ECC	Divestment in 3Q21	(2.8)	(1.0)	(1.2)
• Mafube Coal	Alternative distribution channels	0.7	0.4	0.2
Buy-ins and stock movement		(0.2)		(0.5)
Total		0.6	1.7	(2.4)

Additional information on slides 36 to 37

Exports | Marketing responsiveness optimising price performance

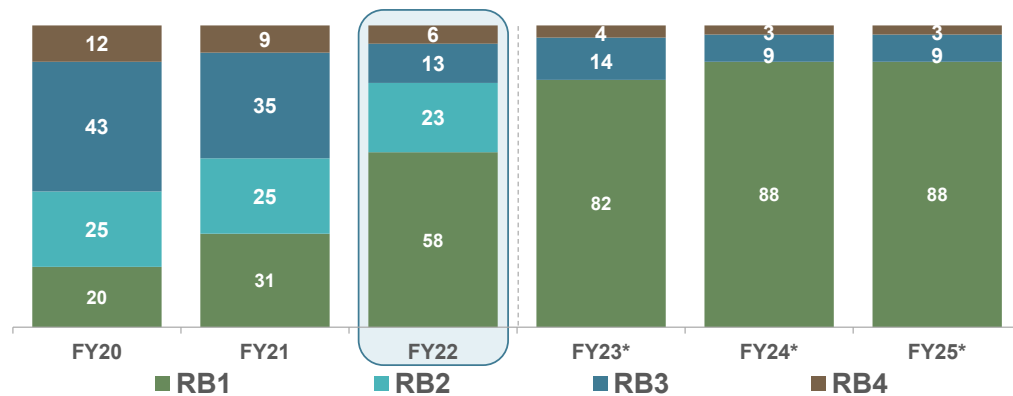
Successfully **responded** to the **strong European demand**

Early Value Strategy continues to render **high quality product mix**

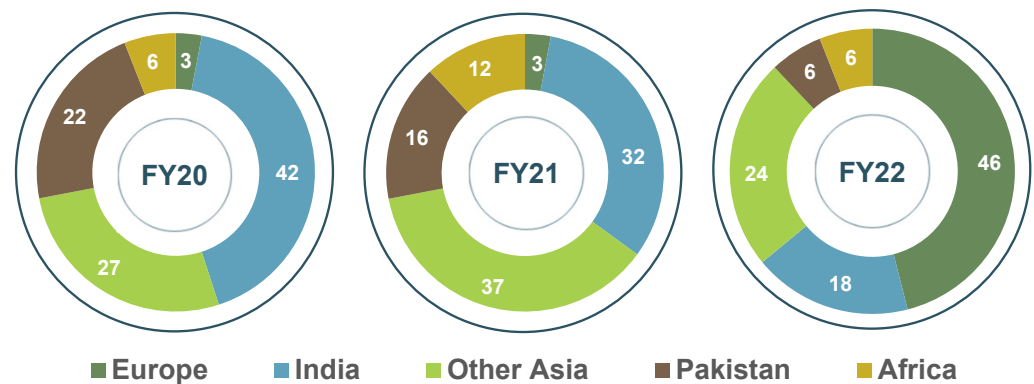
Market to Resource flexibility yielding positive results

Significant improvement on **price realisation** across all export products

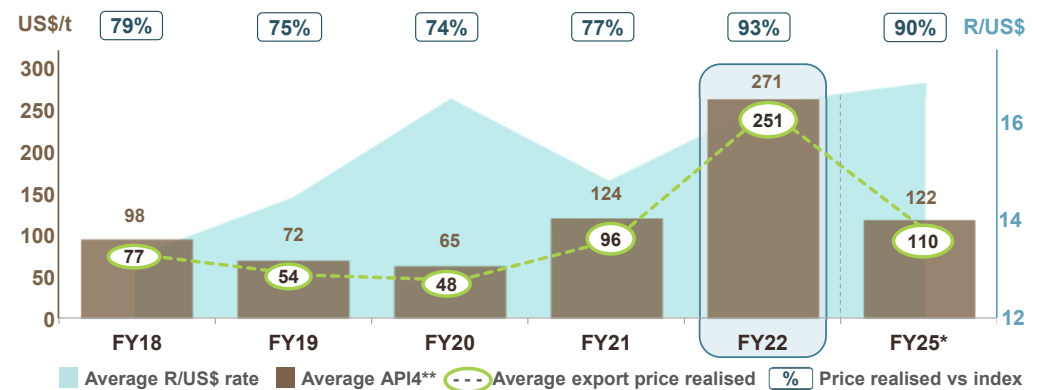
Export product mix (%)



Exxaro export sales destinations (%)



Average realised prices



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

Additional information on slide 38

Cost containment | Effective optimisation countering inflationary pressures

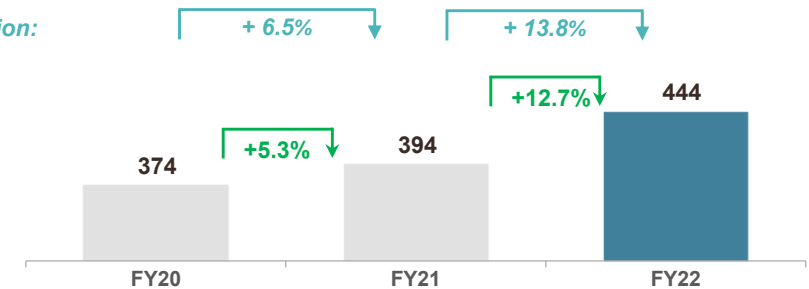
Cash cost per tonne **1.1% below mining inflation**

Countering **inflationary** cost impacts, by:

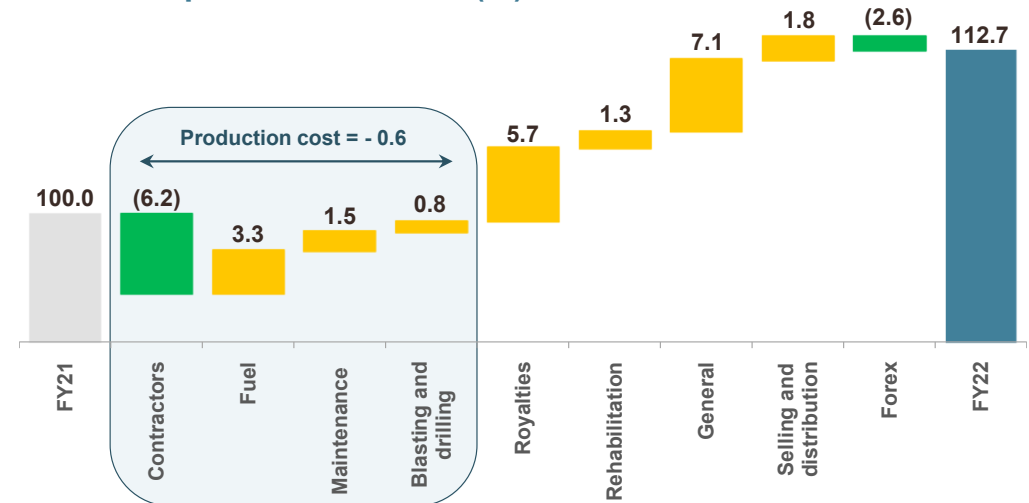
- **Operational Excellence** initiatives
- Cost focus enabled by **digital and data analytics** insights
- **Portfolio optimisation** and **mining efficiencies**

Cash cost per tonne (R/t)

Coal mining inflation:



Cash cost per tonne indexed (%)



* Excluding Matla and Mafube Coal buy-ins, but including ECC until divestment 3 September 2021

Capex | Disciplined capital execution

Total **capex 5% below** previous guidance

Benefiting from **Capital Excellence** and **Early Value Strategy**

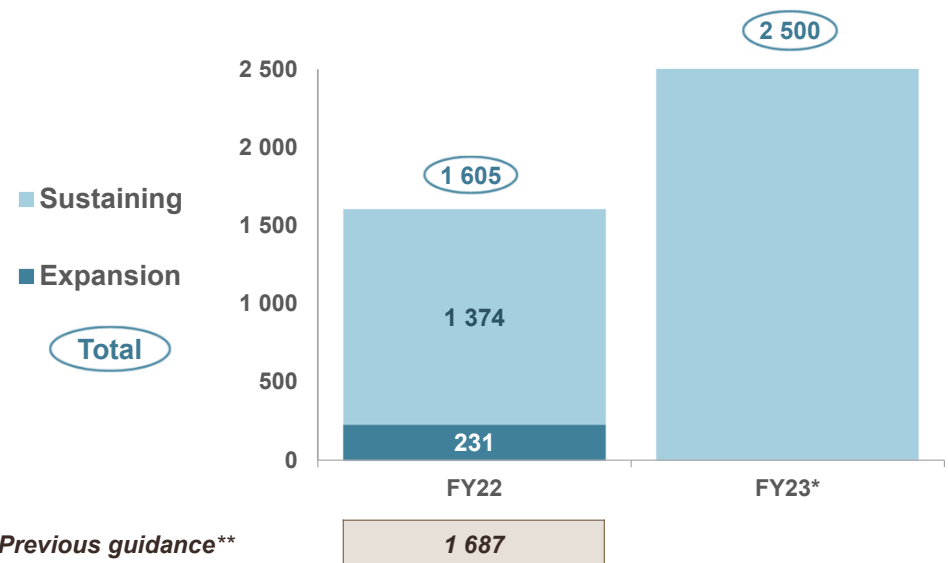
Ramping up **GG6**

Guide to **sustain business** at a range of R2bn to R2.5bn p/a
(real FY22)

FY23 **sustaining business** by implementing Life of Mine Truck and
Shovel strategies

Capital profile

R million



* Based on latest internal forecast (could vary by $\pm 5\%$), Moranbah South excluded ** Guidance given in December 2022

Financial Results

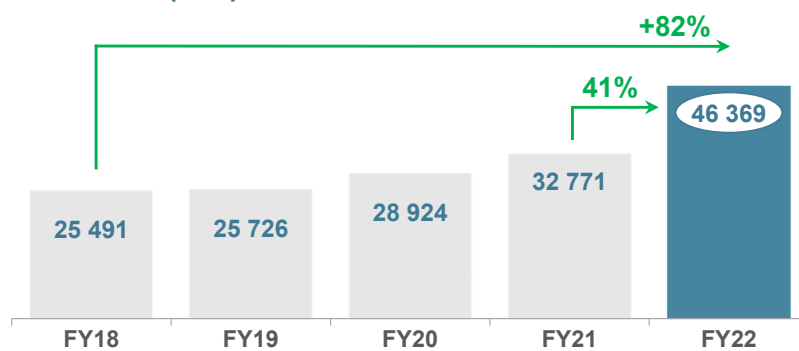
Riaan Koppeschaar | Finance Director



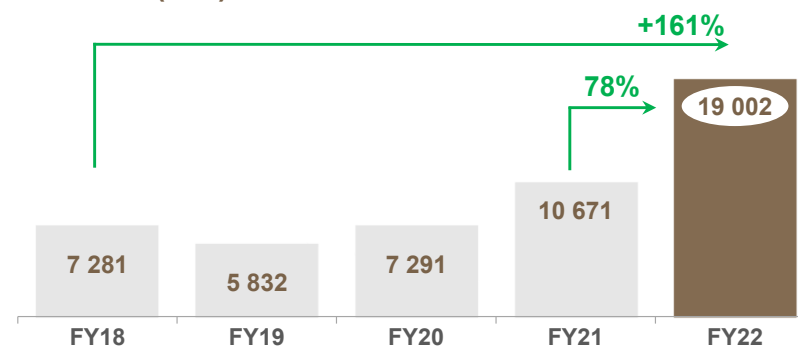
Group performance* | Double-digit growth despite challenging operating environment



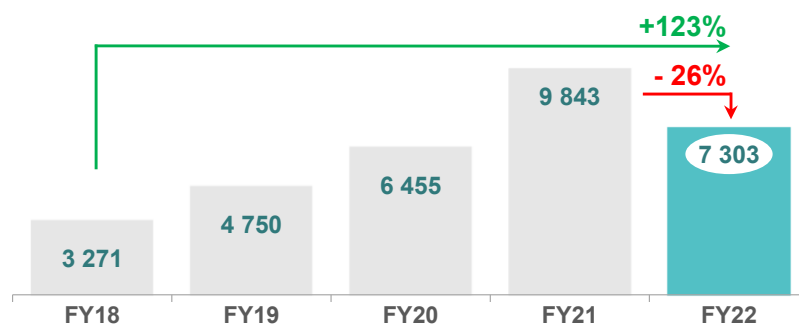
Revenue (Rm)



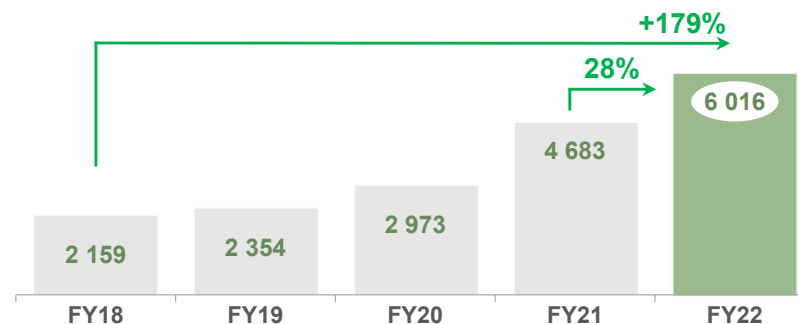
EBITDA (Rm)



Equity income (Rm)



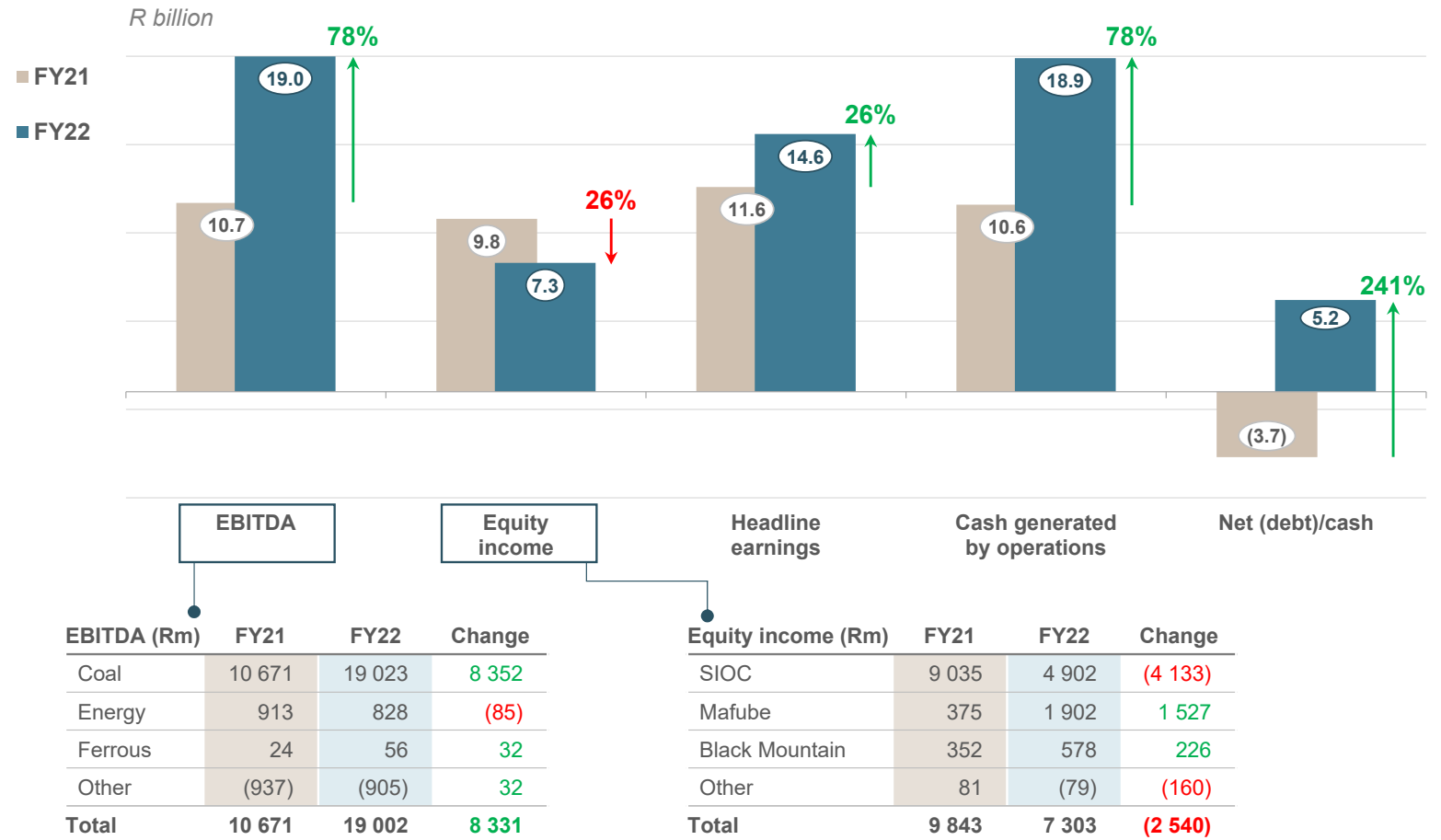
HEPS (cents)



* Adjusted for non-core items

Detail on calculation of adjusted results on slides 40 to 42

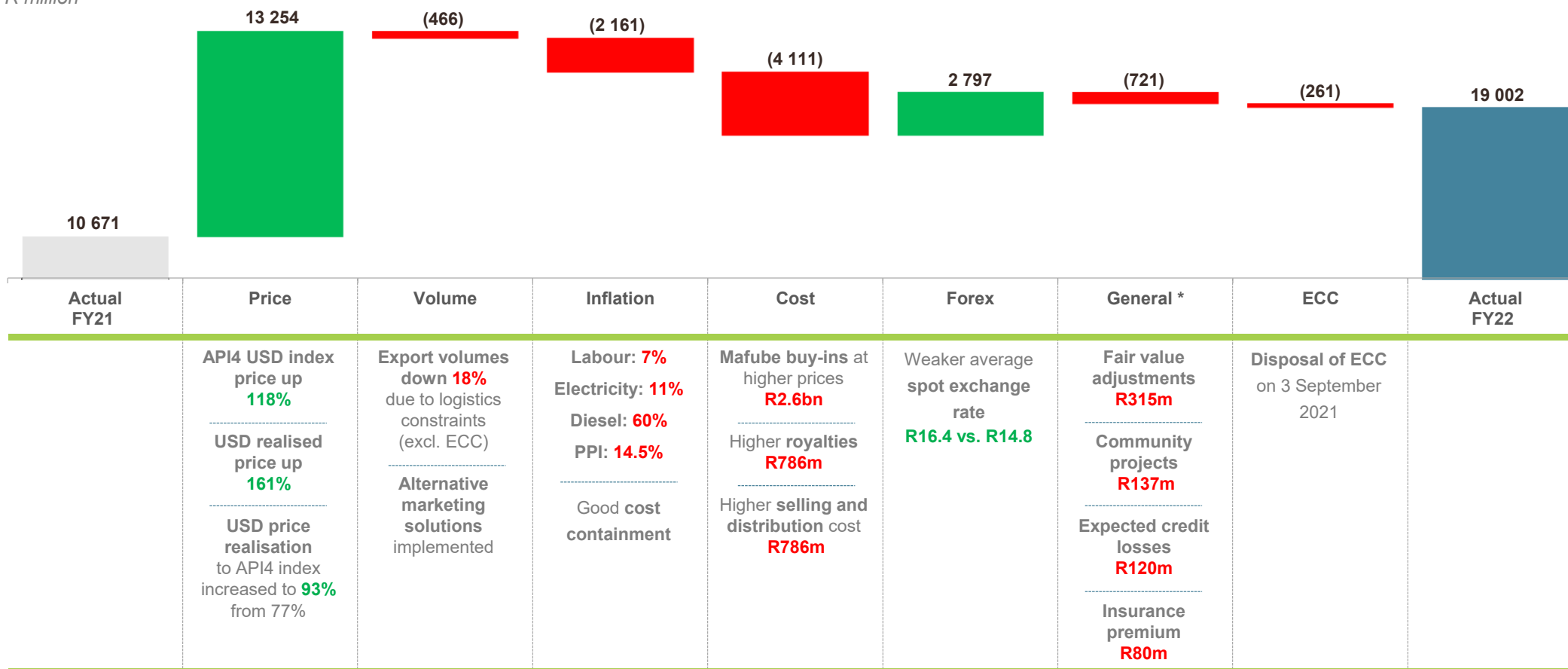
Group financial highlights* | Diverse portfolio continues to deliver



* Adjusted for non-core items

Group EBITDA | Record EBITDA despite cost pressures

R million



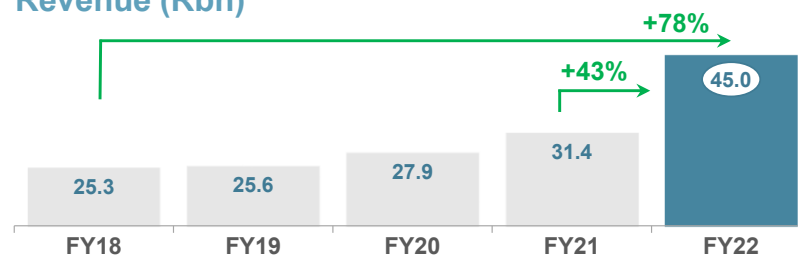
* Total EBITDA variance for Matla included in General = +R8 million

Additional information on slide 43 to 44

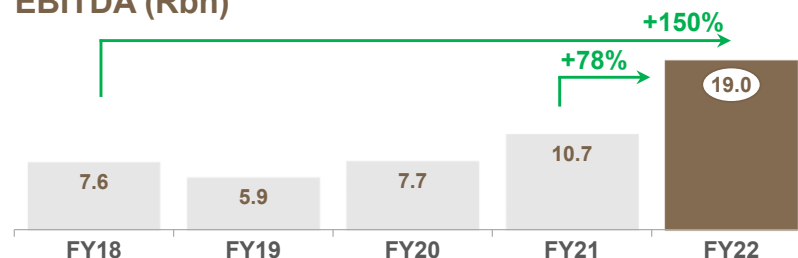
Coal | Value of coal growth projects evident



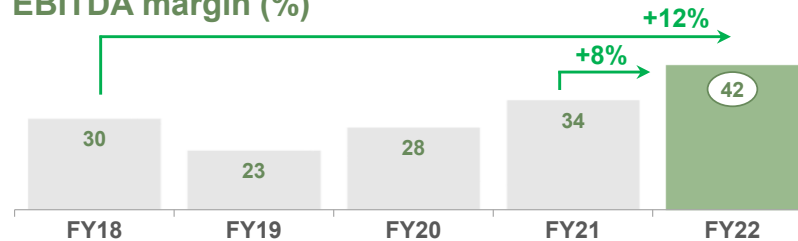
Revenue (Rbn)



EBITDA (Rbn)



EBITDA margin (%)



R million

FY21

FY22

Revenue

	31 395	44 971
Commercial Waterberg	16 852	23 613
Commercial Mpumalanga	9 439	15 797
Tied Mpumalanga	5 089	5 561
Other	15	

EBITDA

	10 671	19 023
Commercial Waterberg	8 627	13 229
Commercial Mpumalanga	2 120	6 006
Tied Mpumalanga	157	165
Other	(233)	(377)

EBITDA margin (%)

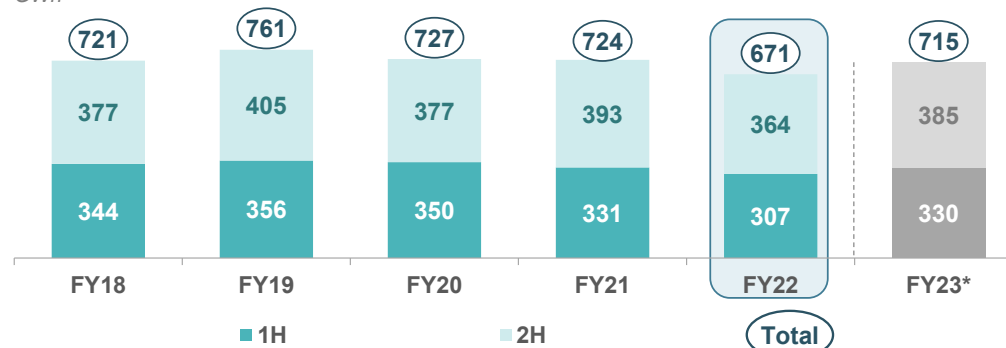
	34	42
--	----	----

Cennerg | Stable performance despite low wind conditions



Electricity generation

GWh



Performance since acquisition

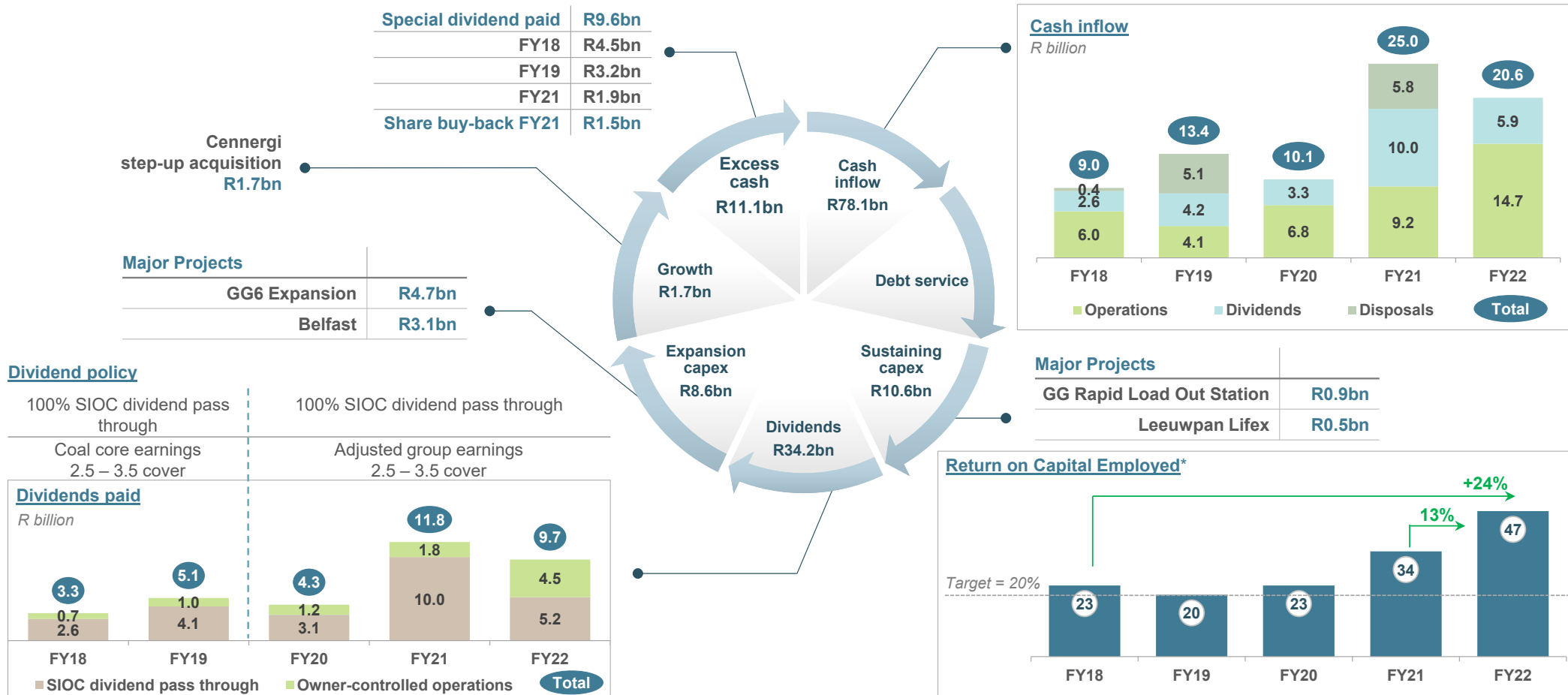
	Unit	FY21	FY22
Energy generation	GWh	724	671
Revenue	Rm	1 193	1 159
EBITDA	Rm	989	926
EBITDA margin	%	83	80
Debt	Rm	4 755	4 612
Finance charges**	Rm	503	503

* FY23 based on latest internal forecast

** Effective interest paid on project financing including related hedge interest swaps

Capital allocation | Framework rewarding shareholders

(FY18 to FY22)

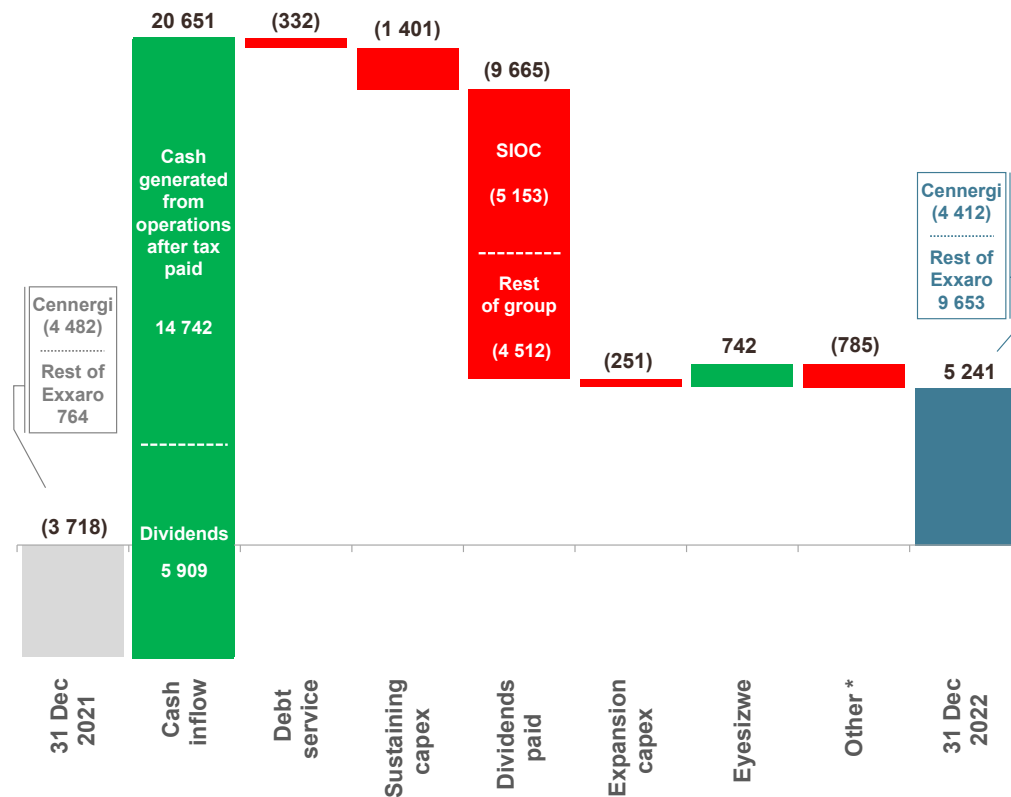


* Adjusted for non-core items

Capital allocation | Record cash generation and strong balance sheet

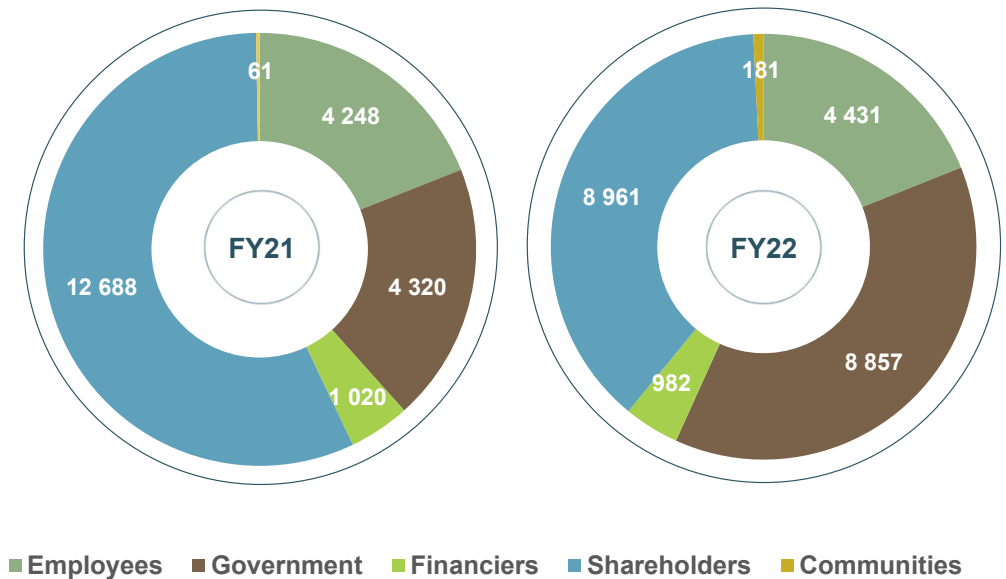
Capital allocation – FY22

R million



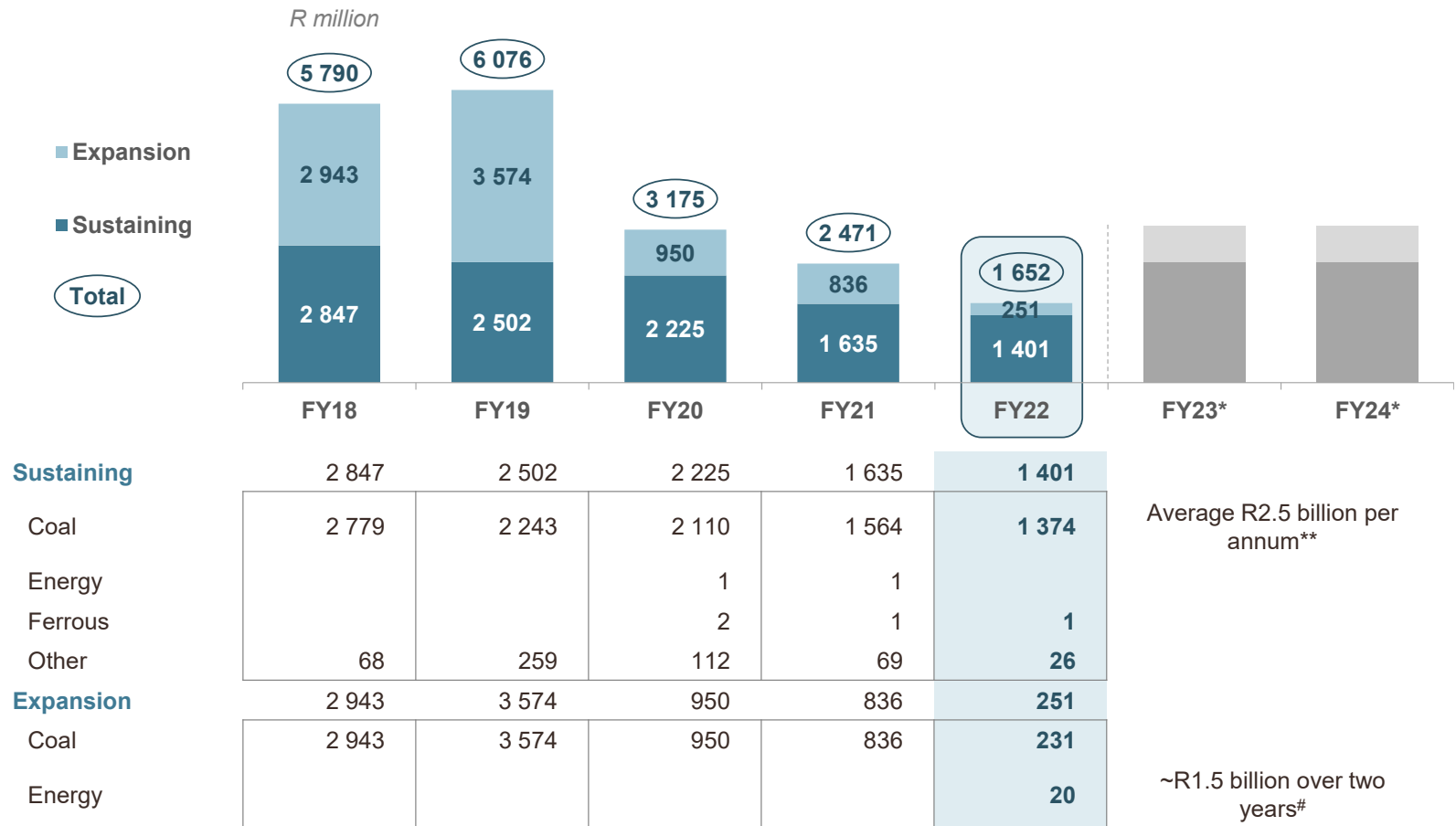
Economic value distributed

R million



* Mainly shares acquired to settle vested share-based payment schemes (-R441 million)

Group | Capital expenditure



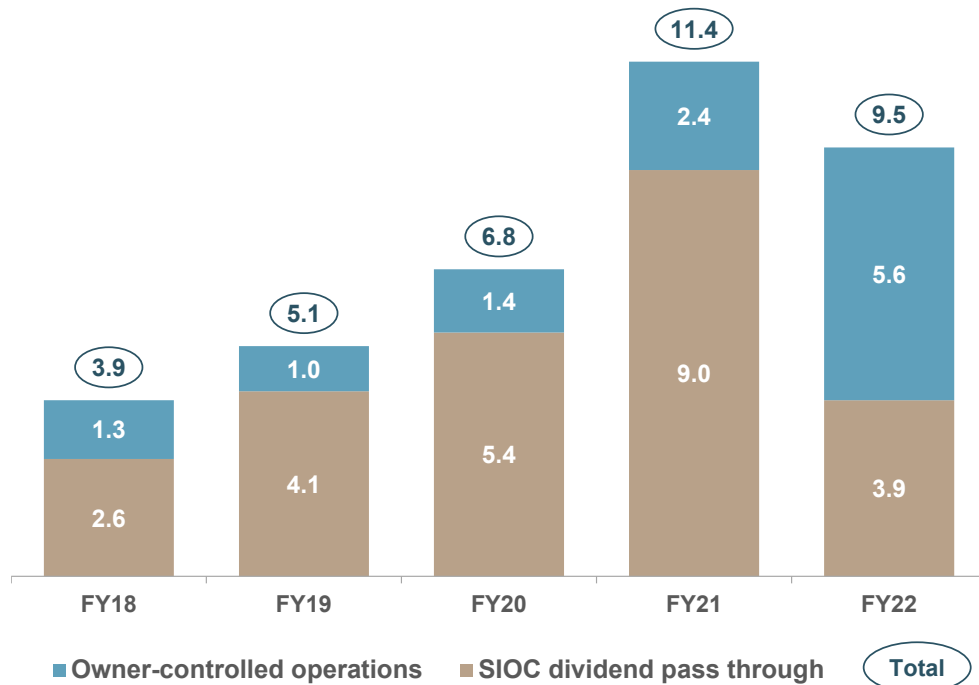
* Based on latest internal forecast ** In real terms

Lephalale Solar Project - Total capital expenditure from FY23 onwards (equity contribution, third party debt and capitalised interest)

Dividend declared | Consistent shareholder returns

Normal dividend declared

R billion



	Total FY22	Final 2H22	Interim 1H22	Total FY21
Dividend cover - Group adjusted earnings* (times)	2.5	2.5	2.5	2.5
SIOC dividend declared (Rm)	3 917	1 419	2 498	8 984
Dividend declared per share (cents)	2 729	1 136	1 593	3 252
Dividend declared (Rm)	9 532	3 968	5 564	11 412
Eyesizwe	2 936	1 222	1 714	3 499
Other	6 596	2 746	3 850	7 913

* Cover calculated on adjusted core attributable earnings

Outlook

Nombasa Tsengwa | Chief Executive Officer



We are **focused** on **priorities** that **sustain** current **business** and **committed** to growing the business into a **diversified**, global future **critical minerals** and **renewable energy solutions** business...



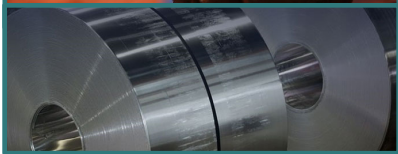
...on our way to carbon neutrality by 2050

Strategic Outlook | Sustaining our current business



- A **logistics solution** will be our ultimate defense against logistical challenges
- Our **Operational Excellence and Digital Programs** will drive efficiencies and cost containment
- **Safety and health** of our people is our **priority**
- Our **Early Value Strategy** will continue to enable the production of **high-quality product**
- Decarbonising our operations through projects focused on energy **efficiency** and **renewable energy** remains an imperative
- Focus on bolstering skillsets in **Renewable Energy**
- Drive on **Diversity, Equity** and **Inclusion** to create a workplace for everyone to thrive

Strategic Outlook | Growing your minerals business



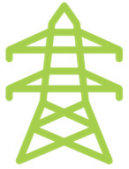
- **Remain committed** to grow into a global diversified minerals business
- **In pursuit of acquisitive growth** opportunities within minerals space and have built a pipeline
- Copper remains a **sought-after** mineral
- **Moderate M&A activity** in manganese
- Existing players in bauxite **focused on volume expansion**

Strategic Outlook | Growing your energy business



- **80MW Lephalale Solar Project** construction to commence at cost of R1.48 billion
- Partnership with **Enertrag** to develop opportunities in wind and solar
- Acquisition of licensed **sites** for wind and solar
- **Acquisitions** will form part of our growth strategy

Macro environment | **Constraints remain to challenge our business**



European energy security remains fluid



Softer thermal coal prices anticipated



Export demand for Exxaro's **high value coal** expected to remain firm



Logistics challenges continue to constrain access to market



China **reopening** likely to drive **iron ore** price **recovery**



Local electricity supply shortage continues to impact business negatively

Conclusion



Sustainable, Growth and Impact **strategy** remains **intact**



Optimal pathway to **energy transition**



Growth in Renewable Energy business goes beyond decarbonisation



Taking our **employees, communities** and all our **stakeholders along** with us is critical

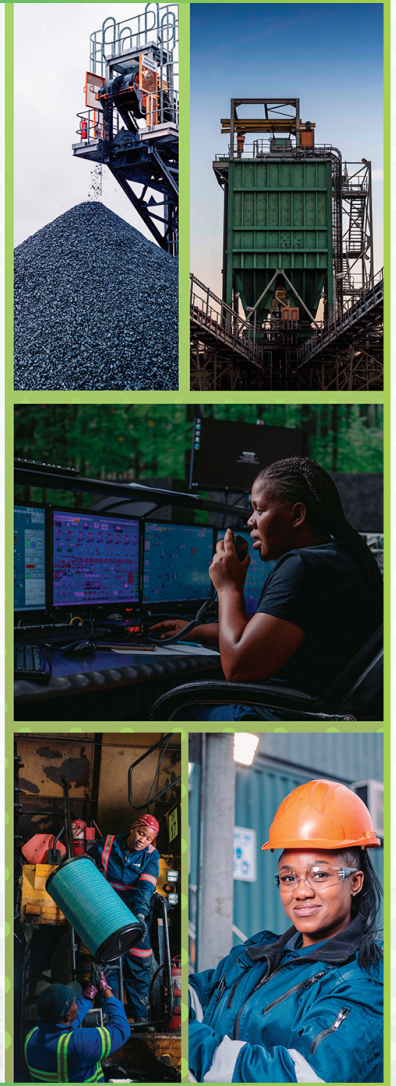
**The best
place to
be is in
our future!**



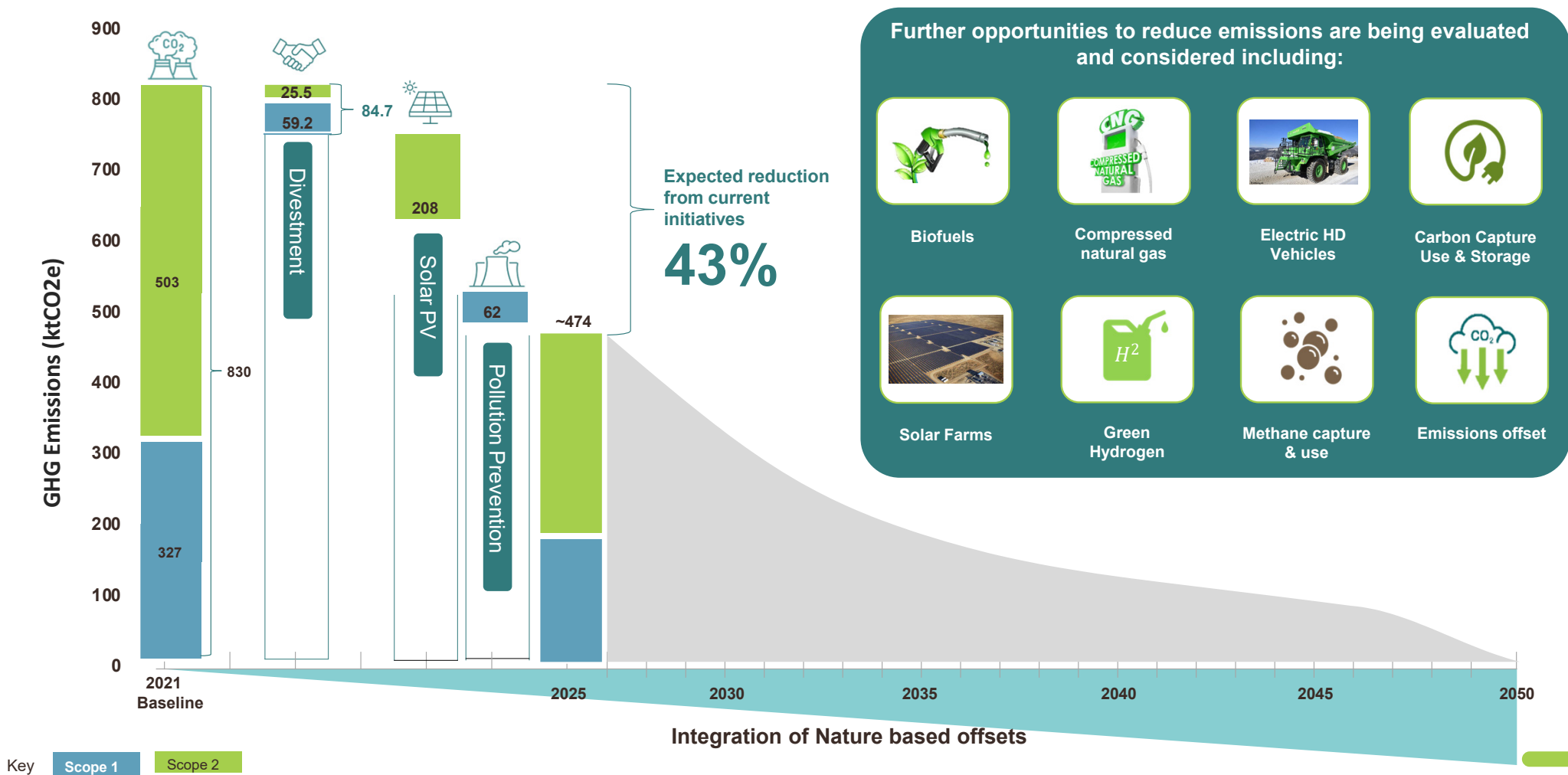
Thank you



Additional Information



Strategic Outlook | Concrete plans to drive decarbonisation



Coal | Product volumes

'000 tonnes	FY20	FY21	FY22	FY23*	FY24*	FY25*
Thermal production	44 933	40 375	41 136	41 255	39 891	40 358
Grootegeeluk	26 554	25 359	27 849	26 842	26 606	26 802
Matla	6 153	5 903	6 157	5 820	4 385	4 735
ECC	3 834	2 789				
Leeuwpan	3 720	2 396	2 645	3 937	4 054	4 070
Belfast	2 850	2 521	2 435	2 768	2 915	2 785
Mafube Coal (buy-ins from Mafube JV)	1 822	1 407	2 050	1 888	1 931	1 966
Buy-ins	291	232	20			
Total thermal product (including buy-ins)	45 224	40 607	41 156	41 255	39 891	40 358
Total metallurgical production – Grootegeeluk	2 222	1 894	1 988	3 239	3 421	3 631
Total product	47 446	42 501	43 144	44 494	43 312	43 989

* Based on latest internal forecast (could vary by $\pm 5\%$)

Coal | Sales volumes

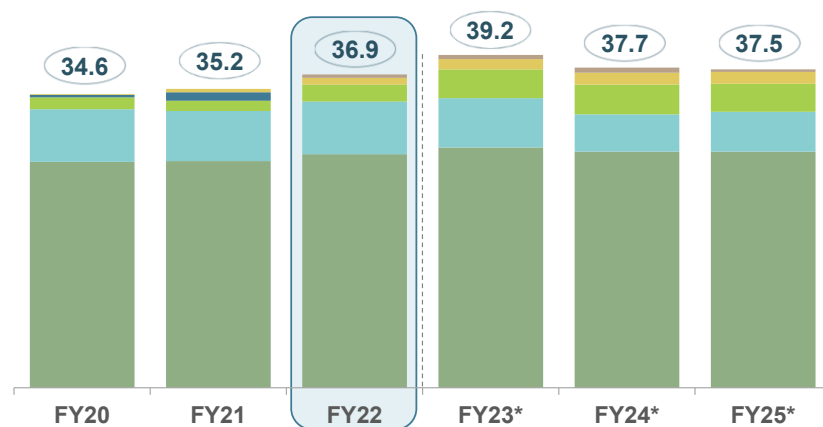
'000 tonnes	FY20	FY21	FY22	FY23*	FY24*	FY25*
Sales to Eskom	30 861	30 361	31 549	31 454	29 486	29 834
Grootegeeluk	24 704	24 462	25 392	25 663	25 123	25 123
Matla	6 157	5 899	6 157	5 791	4 363	4 711
Other domestic thermal coal sales	2 692	3 810	4 639	6 625	6 990	6 520
Grootegeeluk	925	1 236	1 408	1 463	1 455	1 508
Mpumalanga	1 767	2 574	3 231	5 162	5 535	5 012
Exports	12 170	7 632	5 214	5 193	5 531	6 015
Total thermal coal sales	45 723	41 803	41 402	43 272	42 007	42 369
Total domestic metallurgical coal sales	1 036	956	691	1 157	1 148	1 148
Total sales	46 759	42 759	42 093	44 429	43 155	43 517

* Based on latest internal forecast (could vary by $\pm$ 5%)

Coal | Market volumes per mine

Domestic market

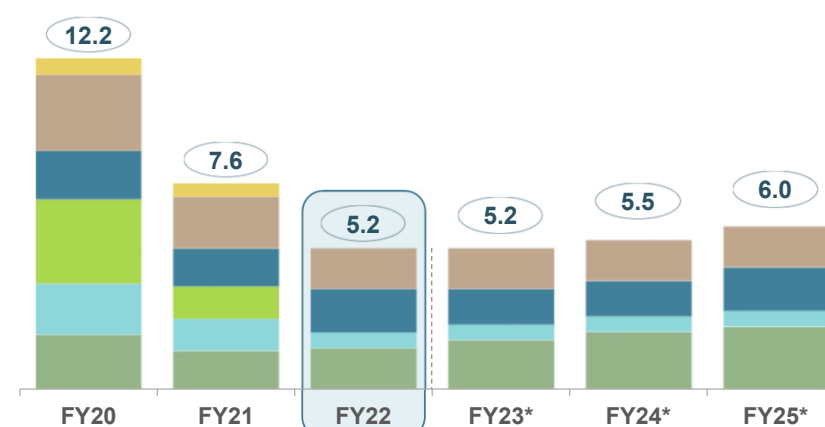
Million tonnes



Grootegeeluk	26.6	26.7	27.5	28.3	27.8	27.8
Matla	6.2	5.9	6.2	5.8	4.4	4.7
Leeuwpan	1.4	1.2	2.0	3.4	3.5	3.3
ECC	0.3	1.0				
Belfast	0.1	0.4	0.8	1.2	1.4	1.4
Mafube Coal			0.4	0.5	0.6	0.3
Total	34.6	35.2	36.9	39.2	37.7	37.5

Export market

Million tonnes



Grootegeeluk	2.0	1.4	1.5	1.8	2.1	2.3
Leeuwpan	1.9	1.2	0.6	0.6	0.6	0.6
ECC	3.1	1.2				
Mafube Coal	1.8	1.4	1.6	1.3	1.3	1.6
Belfast	2.8	1.9	1.5	1.5	1.5	1.5
Other **	0.6	0.5				
Total	12.2	7.6	5.2	5.2	5.5	6.0

* Based on latest internal forecast (could vary by $\pm$ 5%) ** Buy-ins and inventory

Coal | Sensitivities – FY22

Measure	Sensitivity	Impact on NOP* (Rm)	
Royalty cost	1%	(450)	450
Domestic sales volumes	1%	(338)	338
Environmental rehabilitation discount rate	1%	(218)	194
Production cost	1%	(196)	196
Export sales volumes	1%	(155)	155
Exchange rate	10 cent	(118)	118
Export price per tonne	US\$1	(85)	85
Labour	1%	(30)	30
Railage	1%	(29)	29
Fuel	1%	(15)	15
Energy	1%	(6)	6

* Net operating profit

Financial overview | Group IFRS

<i>R million</i>	1H22	2H22	% change	FY21	FY22	% change
Revenue	22 330	24 039	8	32 771	46 369	41
Operating expenses	(13 134)	(17 015)	(30)	(23 094)	(30 149)	(31)
Net operating profit	9 196	7 024	(24)	9 677	16 220	68
Net operating profit margin (%)	41	29	(12)	30	35	5
Post-tax equity-accounted income	4 153	2 324	(44)	9 844	6 477	(34)
Attributable earnings: owners of parent	8 250	5 576	(32)	12 667	13 826	9
Headline earnings*	8 290	6 268	(24)	11 568	14 558	26
EBITDA	10 603	8 399	(21)	10 671	19 002	78
Cash generated by operations	9 433	9 430		10 552	18 863	79
Capital expenditure	744	908	22	2 471	1 652	(33)
Net debt/(cash)	(1 132)	(5 241)		3 718	(5 241)	
Attributable earnings per share (cents)**	3 409	2 304	(32)	5 128	5 713	11
Headline earnings per share (cents)**	3 426	2 590	(24)	4 683	6 016	28

* Non-IFRS number ** Based on a weighted average number of shares of 242 million (FY21 = 247 million)

Financial overview | Non-core adjustments^{*}

R million

	1H22	2H22	FY21	FY22
Coal	(78)	(10)	(988)	(88)
Impairment of assets at Thabametsi			(21)	
Loss on disposal of subsidiaries			(946)	
Loss on disposal of non-core assets	(78)	(10)	(21)	(88)
TiO₂: Disposal of Tronox investments			2 215	
Other	(10)	(2)	456	(12)
Realisation of FCTR** on deregistration of investment in foreign subsidiaries			482	
Loss on disposal of non-core assets and other	(10)	(2)	(26)	(12)
Non-core adjustment impact on net operating profit	(88)	(12)	1 683	(100)
Impairment of investment in associate		(53)		(53)
Post-tax equity-accounted income	11	(837)	1	(826)
Tax on items with impact on net operating profit	25	2	(266)	27
Non-controlling interest on items with impact on net operating profit	12	208	(319)	220
Total non-core adjustment impact on attributable earnings	(40)	(692)	1 099	(732)

^{*} Equal to headline earnings adjustments ^{**} Foreign currency translation reserve

Financial overview | Group adjusted*

<i>R million</i>	1H22	2H22	% change	FY21	FY22	% change
Revenue	22 330	24 039	8	32 771	46 369	41
Operating expenses	(13 046)	(17 003)	(30)	(24 777)	(30 049)	(21)
Add back: Depreciation	1 319	1 363	3	2 677	2 682	
EBITDA	10 603	8 399	(21)	10 671	19 002	78
EBITDA margin (%)	47	35	(12)	33	41	8
Post-tax equity-accounted income	4 142	3 161	(24)	9 843	7 303	(26)
Headline earnings*	8 290	6 268	(24)	11 568	14 558	26
Headline earnings per share (cents)**	3 426	2 590	(24)	4 683	6 016	28
Average R/US\$ rate						
Realised	15.73	16.98	8	14.88	16.63	12
Spot	15.40	17.32	12	14.78	16.37	11
Average API4 export price (US\$/tonne)	276.54	265.20	(4)	124.12	270.87	118
Average coal export price realised						
US\$/tonne	261.81	239.88	(8)	95.84	250.57	161
R/tonne	4 031	4 155	3	1 416	4 101	190

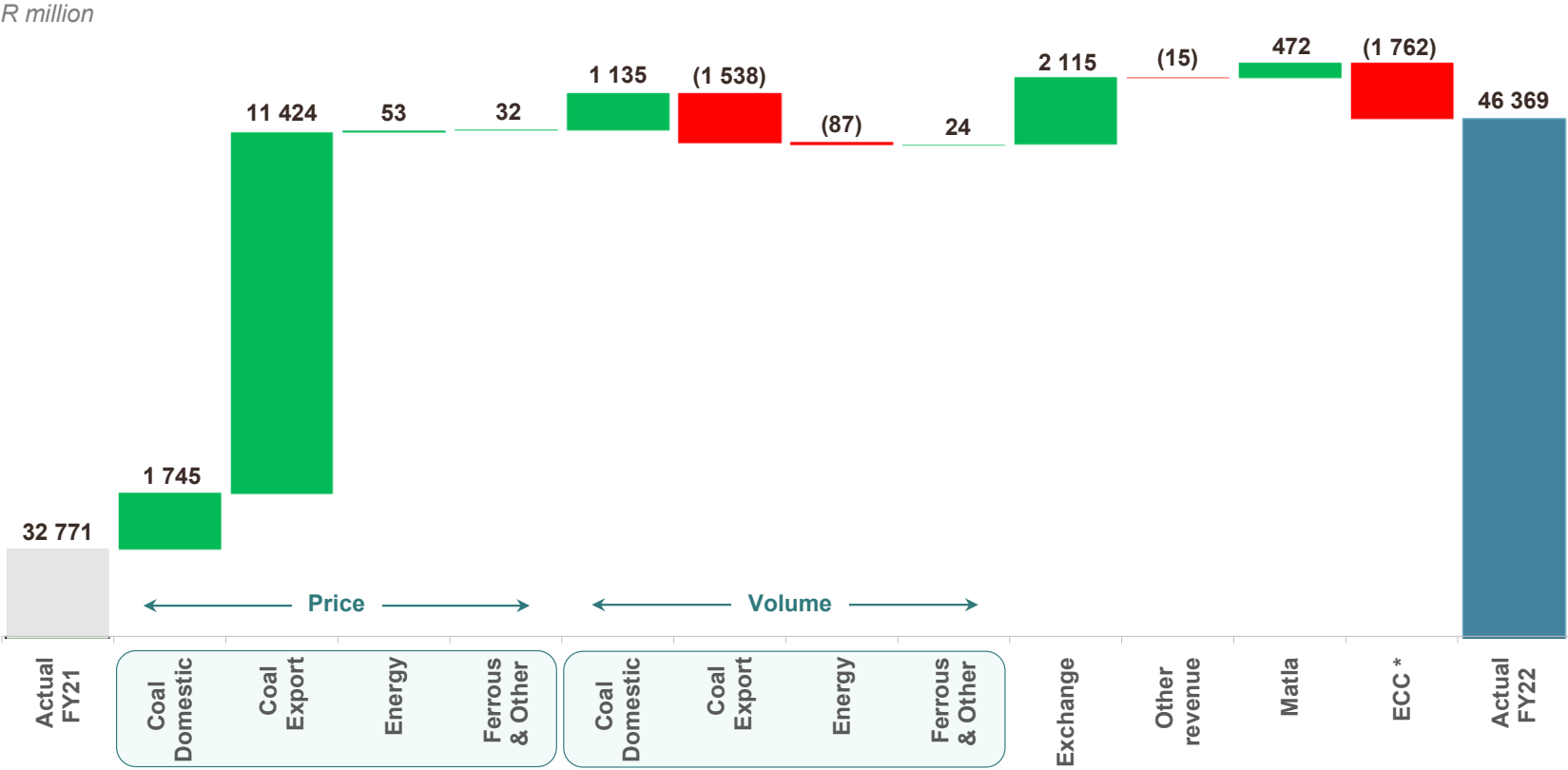
* Non-IFRS number ** Based on a weighted average number of shares of 242 million (FY21 = 247 million)

Group revenue | **Strong coal prices**

Coal Price
+R13bn

Coal Volumes
-R403m

Exchange rate
R1.75
weaker



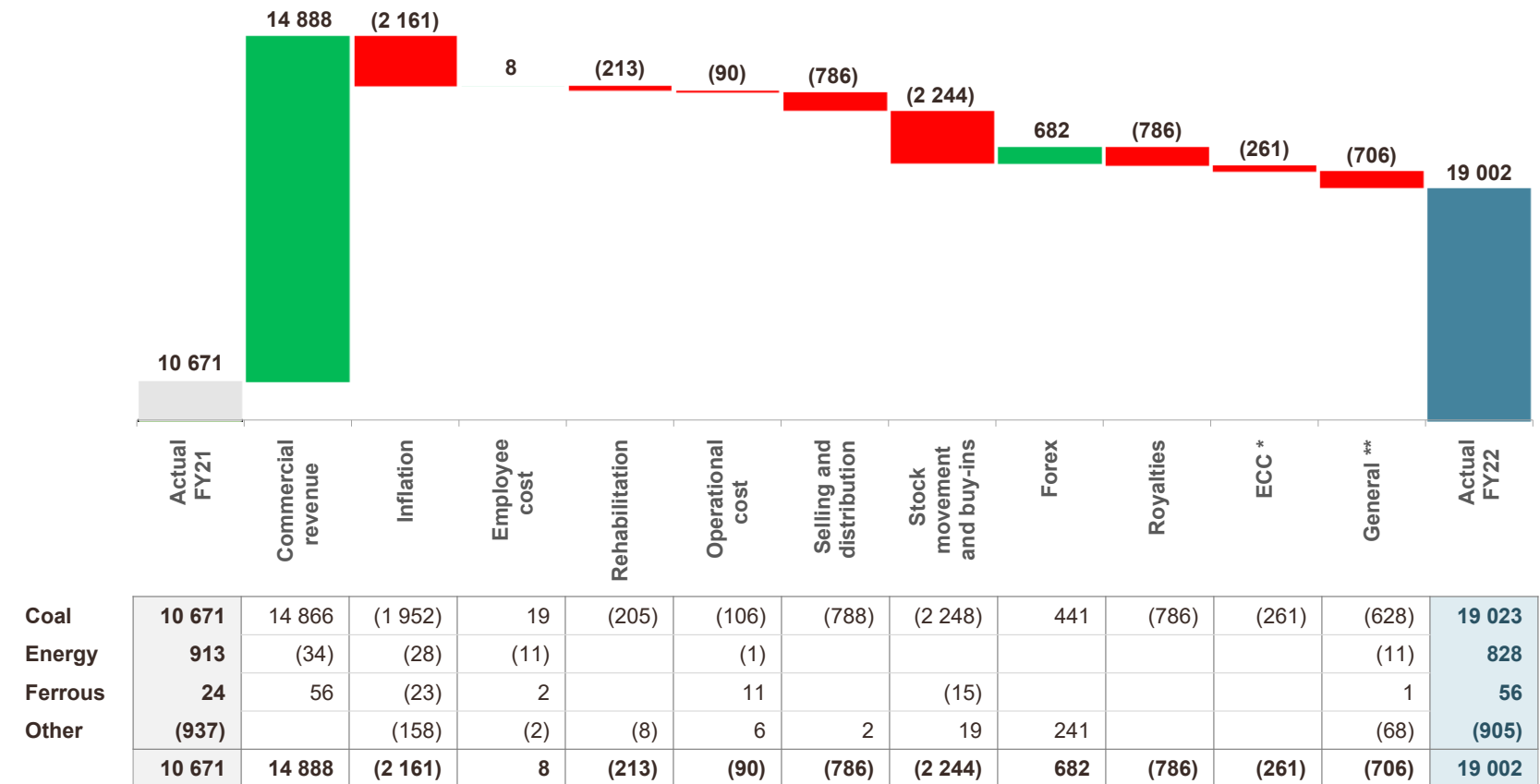
* ECC included for eight months in FY21 only

Group EBITDA | Record EBITDA despite cost pressures

Inflationary
impact

Alternative
export
channels

R million



* ECC included for eight months in FY21 only ** Total EBITDA variance for Matla included in General = +R8 million

Group adjusted earnings | Portfolio delivering returns

<i>R million</i>	1H22	2H22	% change	FY21	FY22	% change
Net operating profit	9 284	7 036	(24)	7 994	16 320	104
Income from investments		6		55	6	(89)
Net financing cost – Exxaro excluding Cennergi	(27)	153		(129)	126	198
Net financing cost – Cennergi	(239)	(245)	(3)	(492)	(484)	2
Post-tax equity-accounted income	4 142	3 161	(24)	9 843	7 303	(26)
Coal: RBCT		(9)		(18)	(9)	50
Mafube	756	1 146	52	375	1 902	
Tumelo*				29		
Ferrous: SIOC	3 119	1 783	(43)	9 035	4 902	(46)
TiO ₂ : Tronox SA*				54		
Other: LightApp	(32)	(38)	(19)	16	(70)	
Black Mountain	299	279	(7)	352	578	64
Tax	(2 369)	(1 945)	18	(2 316)	(4 314)	(86)
Non-controlling interest	(2 501)	(1 898)	21	(3 387)	(4 399)	(30)
Attributable earnings	8 290	6 268	(24)	11 568	14 558	26
Attributable earnings per share (cents)	3 426	2 590	(24)	4 683	6 016	28
WANOS**	242	242		247	242	(2)

* Included until date of disposal ** Weighted average number of shares

Financial overview | EBITDA vs. Cash generated by operations

R million

	1H22	2H22	FY21	FY22
EBITDA	10 603	8 399	10 671	19 002
<i>Adjustments:</i>				
Expected credit losses adjustment	78	1	(57)	79
Write-off of trade and other receivables and ESD loans	2	2	92	4
Movement in provisions	45	438	16	483
Foreign currency differences	(625)	656	(27)	31
Fair value adjustments on financial instruments	46	(97)	(232)	(51)
Gain on derecognition of financial asset at FVOCI*			(175)	
Share-based payment expense	111	96	246	207
Ineffective hedge interest rate swap	2	11	10	13
Translation of foreign currency items	403	(762)	(150)	(359)
Amortisation of transaction costs	4		5	4
Non-cash recoveries	(2)	(192)	8	(194)
Other non-cash movements	4	(6)		(2)
Working capital cash flow	(1 238)	884	145	(354)
Cash generated by operations	9 433	9 430	10 552	18 863

* Fair value through other comprehensive income

Capital funding structure | Exxaro excluding Cennergi

R million

	Facilities available		
	<i>Drawn</i>	<i>Undrawn/ committed</i>	<i>Undrawn/ unissued</i>
Term loan and revolving facility	3 850	3 250	
DMTN* programme	643		4 000
Interest-bearing borrowings	4 493		
Interest capitalised	60		
Lease liabilities	420		
Capitalised transaction costs	(14)		
Total interest-bearing debt	4 959		
Current	544		
Non-current	4 415		
Net cash and cash equivalents	(14 612)		
Net cash	(9 653)		

Maturity profile of debt	
Repayment period	4 959
Less than 6 months	301
6 – 12 months	243
1 – 2 years	1 139
2 – 3 years	508
3 – 4 years	2 564
4 – 5 years	80
> 5 years	124

* Domestic Medium-Term Note

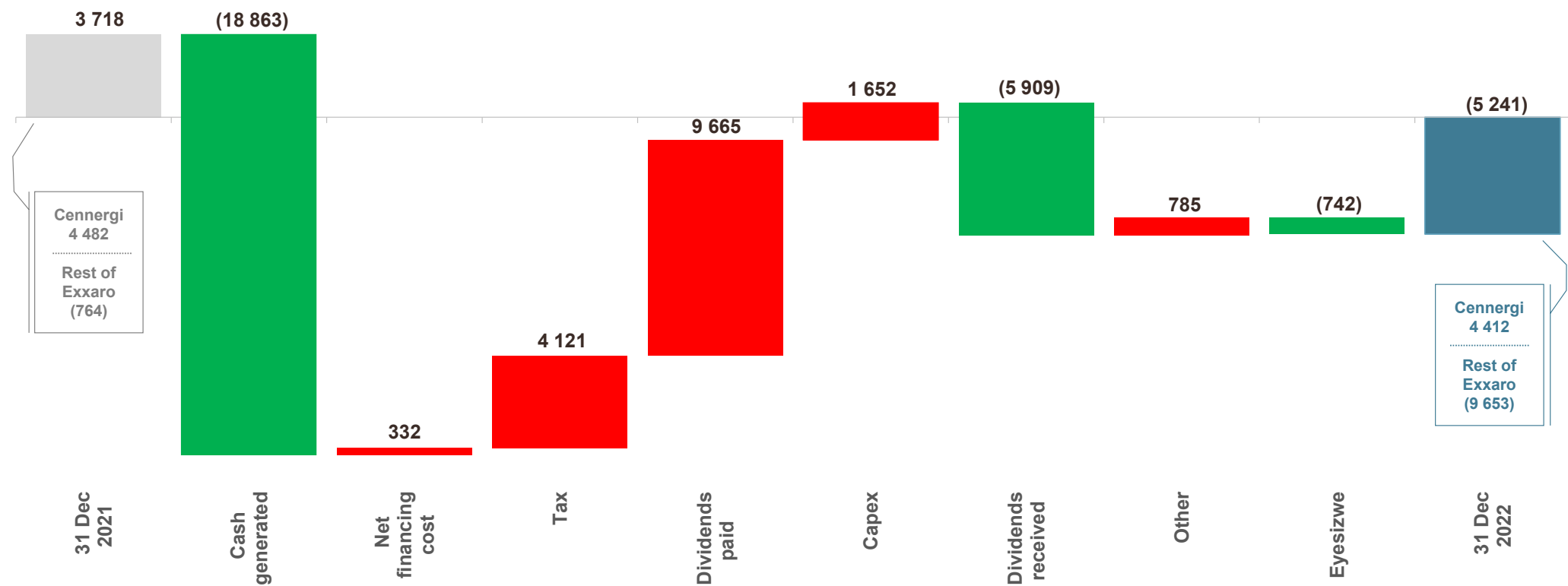
Capital funding structure | Cennergi

R million

	Facilities available	
	Drawn	Undrawn/ committed
Project financing	4 551	410
Interest-bearing borrowings	4 551	
Interest capitalised	3	
Lease liabilities	58	
Total interest-bearing debt	4 612	
Net cash and cash equivalents	(200)	
Net debt	4 412	

Maturity profile of debt	
Repayment period	4 612
Less than 6 months	95
6 – 12 months	116
1 – 2 years	273
2 – 3 years	349
3 – 4 years	449
4 – 5 years	555
> 5 years	2 775

Group results | **Net debt/(cash) FY22**



Performance | Key indicators

	Target	FY21	FY22
Internal key performance indicators			
EBITDA interest cover* # (times)	>4	75	
Net debt/(cash): equity* (%)	<40	(2)	(17)
Net debt: EBITDA* ## (times)	<1.5		
Return on total capital employed (%)	>20	36	45
Bank covenants**			
Net debt/(cash): equity (%)	<80	(1)	(16)
EBITDA interest cover# (times)	>4	35	
Net debt: EBITDA## (times)	<3		

* Excluding Cennergi consolidated results

** Including dividends received from associates and contingent liabilities, except DMRE guarantees and excluding Cennergi consolidated results

Exxaro is in a net finance income position in FY22

Exxaro is in a net cash position