

News Release

8 December 2023

Anglo American unlocks value through operational, cost and capital discipline

Anglo American plc (“Anglo American”) is today providing an update on its performance during 2023 and setting out capital expenditure and production guidance for the next three financial years.

Duncan Wanblad, Chief Executive of Anglo American, said: “The prospects for mined products have rarely looked better. In the near term, given continuing elevated macro volatility, we are being deliberate in reducing our costs and prioritising our capital to drive more profitable production on a sustainable basis. We are focused on what we can control - safety, operational discipline and capital allocation. We are confident in our actions to sustain the competitiveness of our world class assets and deliver on our outstanding growth opportunities in the metals and minerals that are so critical now and for generations to come.

“We are building a platform for strengthened and sustainable operational and financial performance. We took early action in 2023 to increase business resilience in the face of ongoing economic and geopolitical volatility and the current cyclical weakness in PGMs and diamonds. As a result, we have already gone a long way towards reducing our business support costs by \$0.5 billion by mid-2024, with an additional \$0.5 billion in annual cost efficiencies identified across our global businesses that we expect to deliver in 2024.

“Operationally, we are improving cost performance and cash generation by reconfiguring a number of our assets to adjust the production profile to near term constraints and market conditions, and thereby also protect longer term value. This includes reducing production at Kumba in line with prolonged logistics constraints, focusing on higher margin own-production through our PGMs processing facilities, and moving to one plant at the Los Bronces copper operation in Chile. As a result of such initiatives, we expect to deliver lower unit costs in 2024, despite high inflation, and \$1.8 billion lower capital expenditure in the 2023 to 2026 period⁽¹⁾.

“Anglo American’s differentiated investment proposition is underpinned by the high quality and diversification of our portfolio, which includes a number of unmatched resources and industry leading positions. Each of our businesses has a dynamic role within the overall portfolio, at different times delivering cash returns and supporting through-the-cycle investment – in copper and crop nutrients in particular – positioning us well to supply into structural long term demand growth.”

Guidance outlook:

2023

- Production increased by c.3%⁽²⁾: Quellaveco copper ramp-up and solid iron ore production, offset by ore grades in Chile and lower PGMs and diamonds production
- Unit costs up c.5%⁽³⁾: due to CPI and mining inflation, with some production impacts
- Effective tax rate: c.39%: due to change in profit mix to higher tax jurisdictions
- Capex of c.\$5.8 billion: a reduction of c.\$0.2 billion, due to prioritisation
- Year-end working capital build of c.\$1.5 billion, subject to pricing

Anglo American plc

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2024

- Production expected to decrease by c.4%⁽²⁾; production rescheduled to enhance value and reduce unit costs
- Unit costs expected to decrease by c.2%⁽³⁾; cost discipline more than offsetting inflation
- Capex of c.\$5.7 billion (a reduction of c.\$0.8 billion) and includes Woodsmith

2025

- Production expected to decrease by a further c.3%⁽²⁾; production changes to enhance value and reduce unit costs, and scheduled maintenance
- Capex of c.\$5.7 billion (a reduction of c.\$0.4 billion), including Woodsmith

2026

- Production expected to increase by c.4%⁽²⁾; benefiting from higher volumes in copper, iron ore, steelmaking coal and diamonds
- Capex of c.\$5.3 billion, including Woodsmith

Duncan Wanblad concluded: "Looking ahead, the fundamental supply and demand picture for many metals and minerals is ever more attractive. Many of the world's major economies are focusing their resources on meeting global decarbonisation timelines and, as the global population grows, continues to urbanise and demands higher living standards, we expect unprecedented demand for responsibly produced raw materials. We are improving our resilience and ensuring we are set up to grow the value of our business into the major demand trends, drawing on the bench of well sequenced margin-enhancing project options within Anglo American."

Footnotes:

⁽¹⁾ Capex savings in 2023-2025 calculated against most recently published guidance. 2026 capex saving of ~\$0.4 billion is versus previous budget.

⁽²⁾ Copper equivalent production basis. Calculated including the equity share of De Beers' production and using long term consensus parameters. Future production levels are indicative and subject to final approval.

⁽³⁾ Copper equivalent unit costs are shown on nominal terms and calculated as the total USD cost base divided by copper equivalent production.

The presentation which contains the details relating to the information referred to above will be available on the Anglo American website at 7.00am UK time today at:

www.angloamerican.com/investors/investor-presentations

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Notes to editors:

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 copper, nickel, platinum group metals, diamonds (through De Beers), and premium quality iron ore and steelmaking coal – 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.

www.angloamerican.com



Forward-looking statements:

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and environmental, social and corporate governance goals and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements

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