



**exxaro**

POWERING POSSIBILITY

# ANNUAL FINANCIAL RESULTS

PRESENTATION FOR THE YEAR ENDED 31 DECEMBER 2021

## Disclaimer

*The operational and financial information on which any outlook or forecast statements are based has not been reviewed nor reported on by the group's external auditor. These forward-looking statements are based on management's current beliefs and expectations and are subject to uncertainty and changes in circumstances. The forward-looking statements involve risks that may affect the group's operational and financial information. Exxaro undertakes no obligation to update or reverse any forward-looking statements, whether as a result of new information or future developments.*

*Where relevant, comments exclude transactions which make the results not comparable. These exclusions are the responsibility of the group's board of directors and have been presented to illustrate the impact of these transactions on the core operations' performance and hence may not fairly present the group's financial position, changes in equity, results of operations or cash flows. These exclusions have not been reviewed nor reported on by the group's external auditor.*

# PRESENTATION OUTLINE



## Overview & Outlook

Mxolisi Mgojo | Chief Executive Officer



## Coal operational performance

Nombasa Tsengwa | CEO Designate



## Financial results

Riaan Koppeschaar | Finance Director



## Commemoration

Geoffrey Qhena | Board Chairman



# OVERVIEW

Mxolisi Mgojo | Chief Executive Officer

## Results overview | a dynamic operating environment

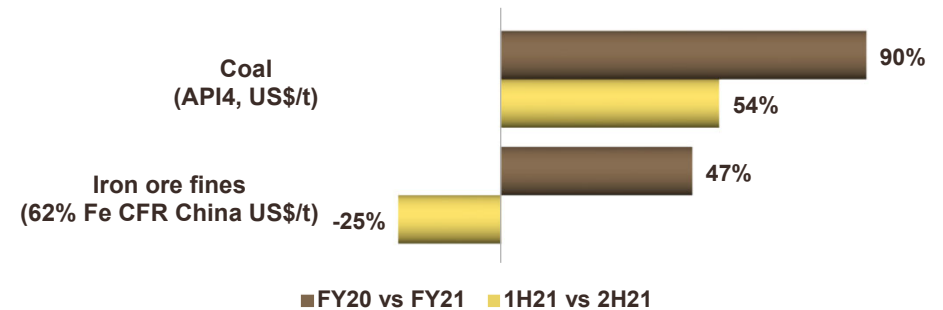


## Macro context | recovery, response and resilience

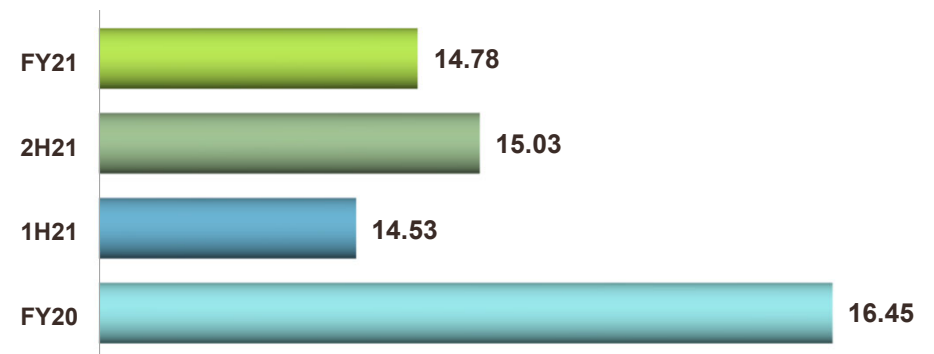
### Transition from recession to recovery and expansion

- Covid-19 pandemic, **disrupted supply chains** and **inflationary pressures**
- Global real GDP **increased by 5.6% in 2021**, its strongest advance since 1973
- South Africa's **fiscal constrained** position together with **rotational power cuts** weighed on economic activity
- The global shift in **energy transition policy** continued to intensify

### Strong commodity price performance



### Volatile USD/ZAR exchange rate



## Strategy | we are delivering on our strategic priorities

### Priority areas:

- 1 Continue with our **portfolio optimisation**
- 2 Responsible **value maximisation** of our **coal asset portfolio**
- 3 Prioritise acceptable **value distribution** with long term **investments**
- 4 Deliberate and responsible management of **risks and opportunities** in the **low carbon transition**

### Progress:

- 1 **ECC & Tronox disposals completed**  
Leeuwan disposal in progress
- 2 **Operational excellence** delivering on cost performance
- 3 Applying a **disciplined capital allocation and prudent investment** framework
- 4 Progressing on **self-generation** project and **minerals** strategy



## Performance highlights | record results despite logistics challenges

### ESG\*

- ✓ Maintained leading FTSE  
Russell ESG Index position of **3.7**
- ✓ Record safety performance:
  - **5 years** fatality free
  - **0.08** group LTIFR\*\*  
(target = 0.08)



### Operational#

- ✓ Coal export volumes  
**7.6Mt** ▼ **37%**
- ✓ Cost increases below inflation
- ✓ Wind energy delivered  
**724GWh**



### Financial#

- ✓ Core EBITDA  
**R10.7bn** ▲ **46%**
- ✓ Core HEPS  
**R46.83** ▲ **58%**
- ✓ Total dividend  
**R32.52** ▲ **72%**



\* Environment, Social and Governance \*\* Lost time injury frequency rate per 200 000 man hours worked # Measured against FY20





# COAL OPERATIONAL PERFORMANCE

Nombasa Tsengwa | CEO Designate

# Safety, Health and Environment | our Journey to Zero Harm

## Safety, Health and Environment

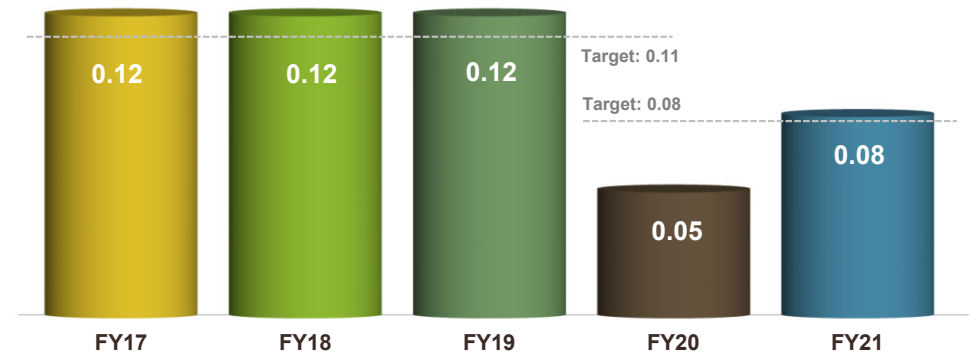
- Achieved on target LTIFR of 0.08
- Record fatality free performance of 5 years
- 56% improvement in the OHIFR\* past 4 years

## Covid-19 impact on operations

- 7 303 confirmed cases – recovery rate 99% and 42 active cases.
- 11 942 employees and contractors vaccinated
- Strict adherence to screening and testing protocols
- We remained operational at all times

\* Occupational health incident frequency rate

## LTIFR - Operations



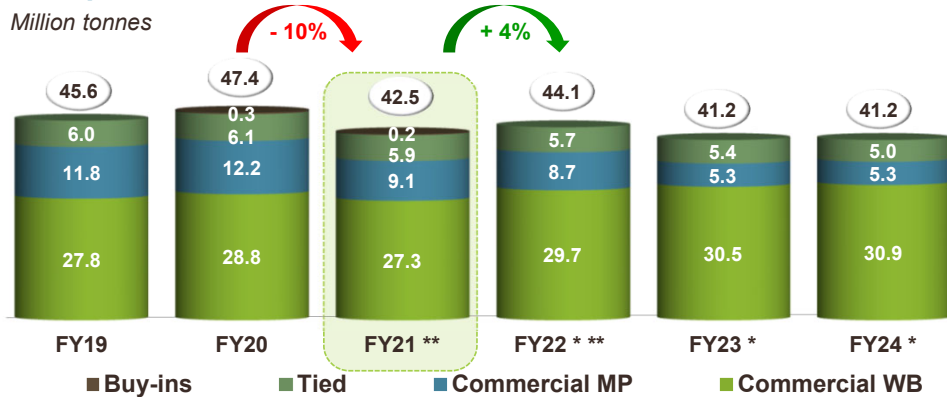
## Group Covid-19 vital statistics: 28 February 2022

TESTS CONDUCTED	CONFIRMED CASES	TOTAL RECOVERIES	TOTAL VACCINATIONS	TOTAL DEATHS	ACTIVE CASES
32 710	7 303	99% (7 224)	81% (11 942)	37	42

# Coal volumes | constrained by persistent logistic challenges

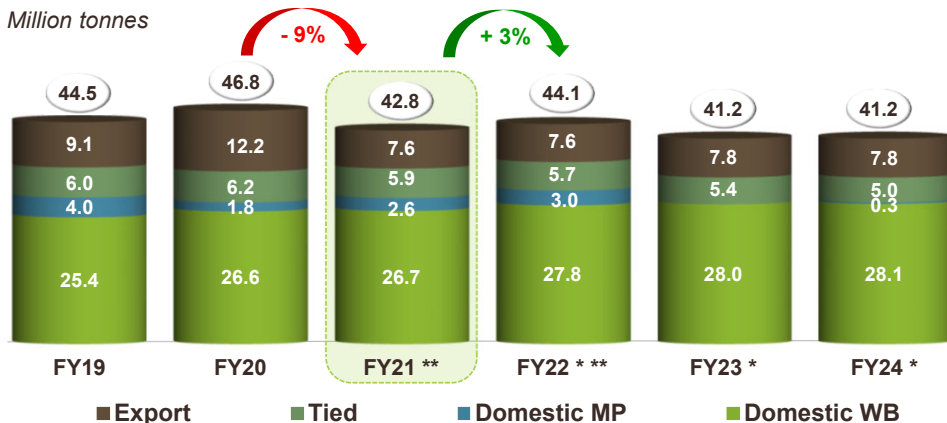
## Total product

Million tonnes



## Total sales

Million tonnes



\* Based on latest internal forecast (actual figures could vary by ± 5%) \*\* ECC divestment 3 September 2021 and assume Leeuwan end 2022

## Movement FY20 vs FY21

Million tonnes

### Waterberg (WB)

- Grootegeluk  
Rail performance and Covid impact

### Mpumalanga (MP)

- Belfast  
Rail performance
- Matla  
Pit room limitation and Covid impact
- Leeuwan  
Rail performance and Market constraints
- ECC  
Rail performance, uplift in local sales and divestment
- Mafube Coal  
Rail performance and Covid impact

Buy-ins and stock movement

### Total

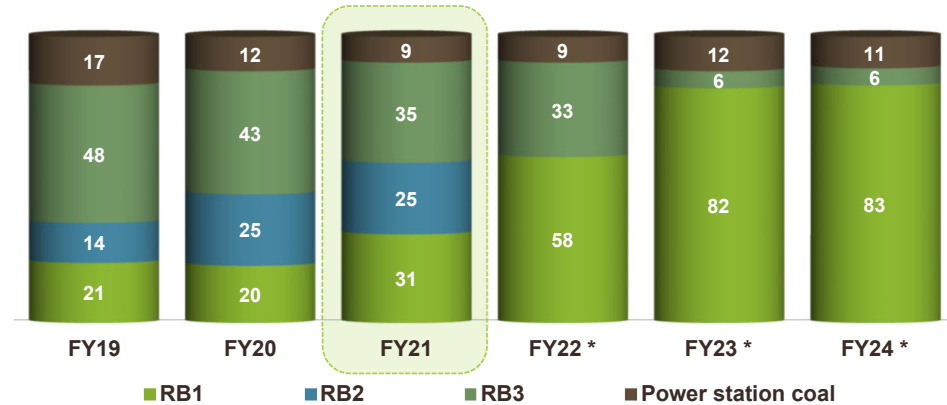
Product	Sales	
	Domestic	Export
Waterberg (WB)		
• Grootegeluk	0.1	(0.6)
Mpumalanga (MP)		
• Belfast	0.3	(0.9)
• Matla	(0.3)	
• Leeuwan	(0.2)	(0.7)
• ECC	0.7	(2.2)
• Mafube Coal		(0.4)
Buy-ins and stock movement	(0.1)	0.2
<b>Total</b>	<b>0.6</b>	<b>(4.6)</b>

Additional information on slides 31 to 33

# Exports | competitive product mix, diversified markets, higher prices

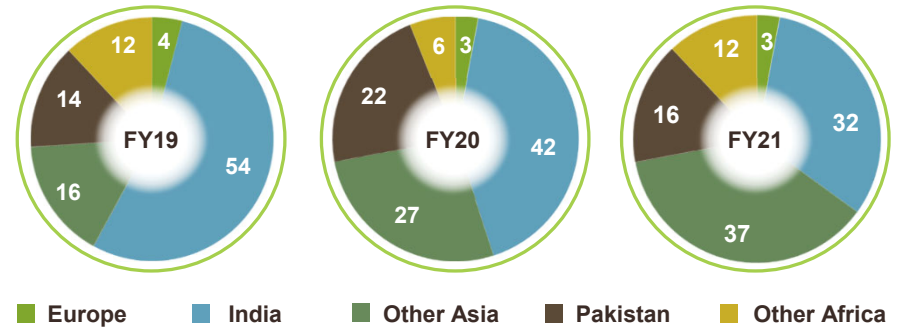
- Healthy demand for our suite of products
- Ability to sell into a diversified market despite rail performance
- Indian sales down due to product mix changes and Australian competition
- Other Asia segment growing due to increased Chinese demand
- Product mix and price optimisation on an upward trend

## Export product mix (%)

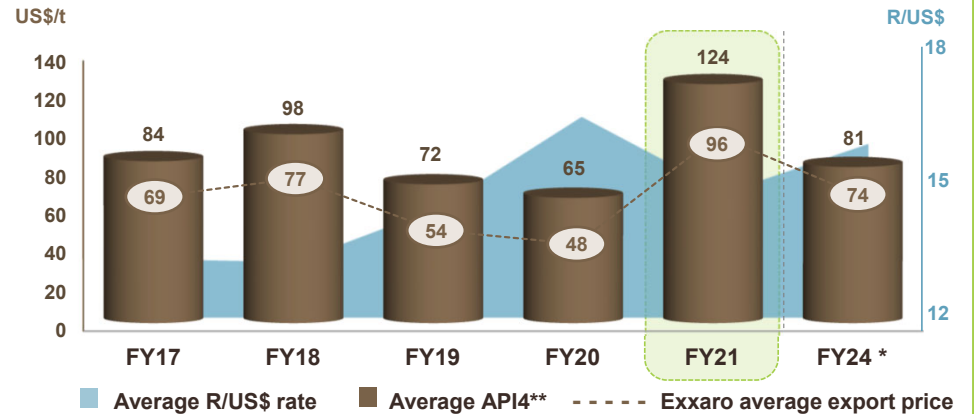


\* Based on latest internal forecast \*\* Source: Argus/McCloskey Price Index

## Exxaro export sales destinations (%)



## Average realised prices



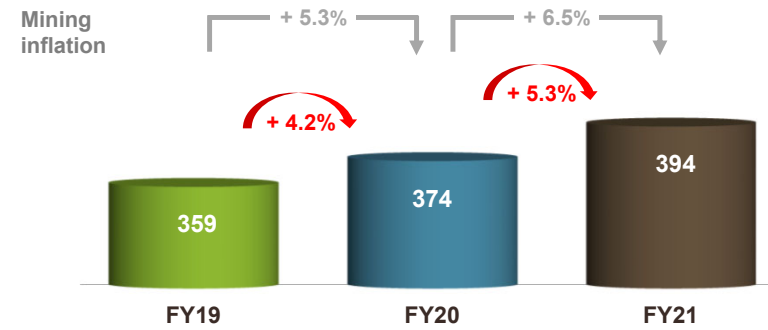
Additional information on slide 34

# OE | mitigating cost inflation pressures

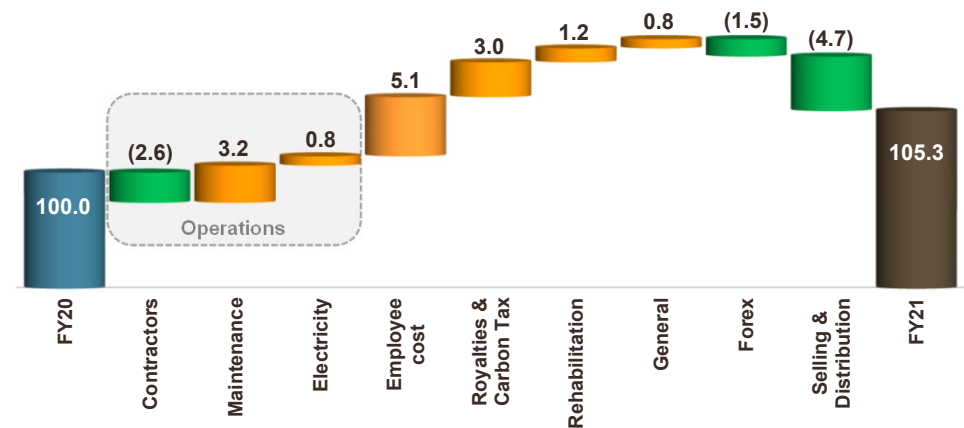
- Cash cost per tonne up 5.3%, below mining inflation
- Contractor cost managed in response to volatile market conditions
- Maintenance cycles in line with plan
- Extensive cost control through digitalisation and optimisation initiatives
- Cost containment remains actively managed across all operations

## Cash cost per tonne\*

R/tonne



## Cash cost per tonne indexed: FY20 vs FY21



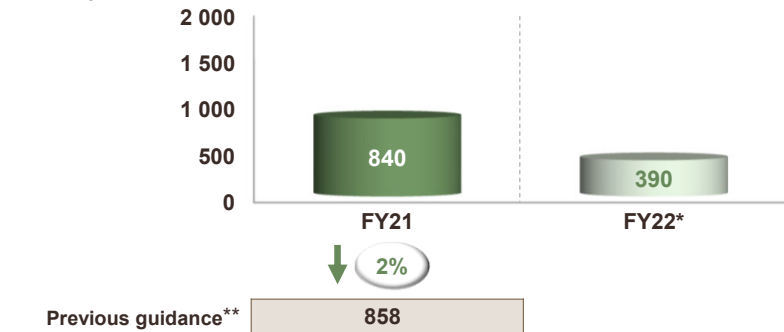
\* Excluding Matla but including ECC until divestment 3 September 2021

# Capex | leveraging off the investments made

- Disciplined capital process delivering results
- Expansion capex 2% below previous guidance
- Focus 2022 in closing out GG6 expansion project
- Sustaining capex 3% above previous guidance
- Guidance is to sustain business at average of R2 billion per year in real terms
- Sustainable savings of R1.3 billion still in place

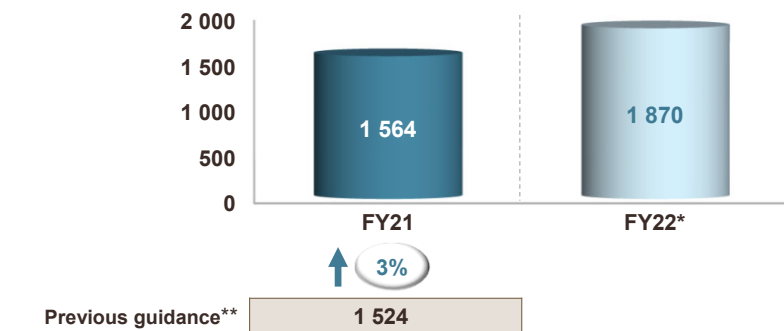
## Expansion capital profile

R million



## Sustaining capital profile

R million



\* Based on latest internal forecast (actual figures could vary by  $\pm 5\%$ ), Moranbah South excluded \*\* Guidance given in December 2021

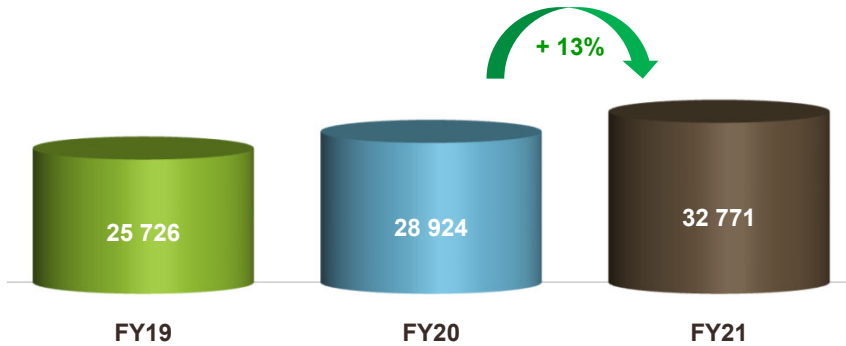


## FINANCIAL RESULTS

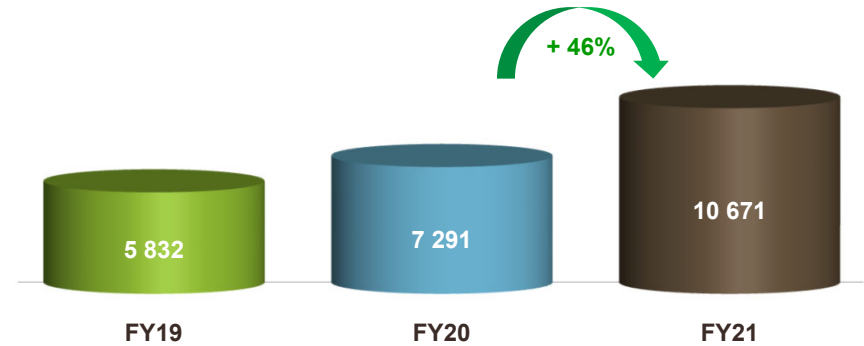
Riaan Koppeschaar | Finance Director

## Group core performance | record earnings from robust portfolio

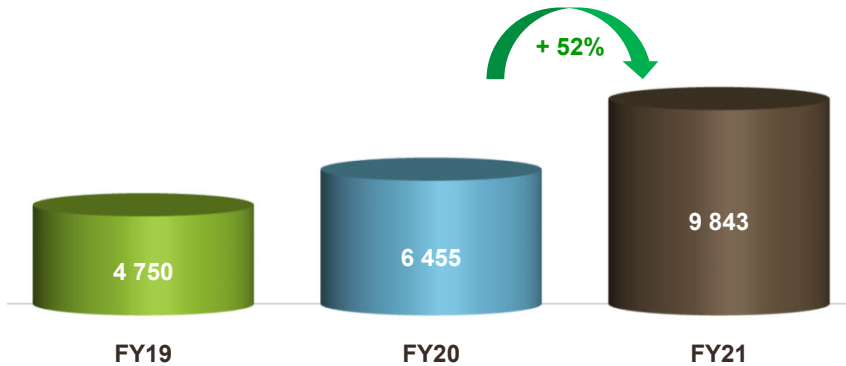
Revenue (Rm)



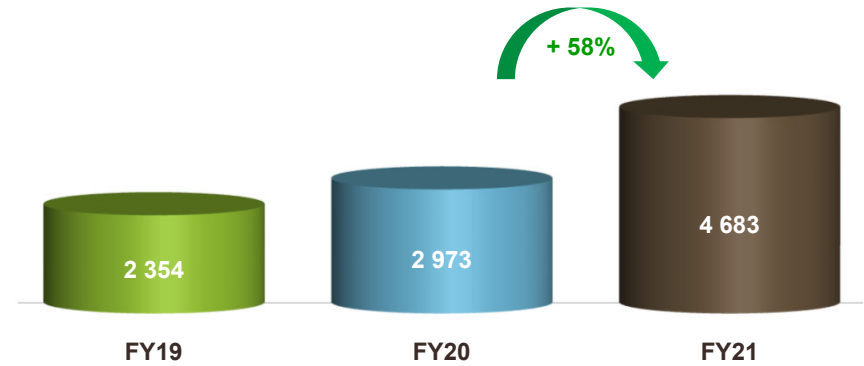
EBITDA (Rm)



Equity income (Rm)



HEPS (cents)



Detail on calculation of core results on slides 36 to 39



# Group revenue | higher coal prices counter volume constraints

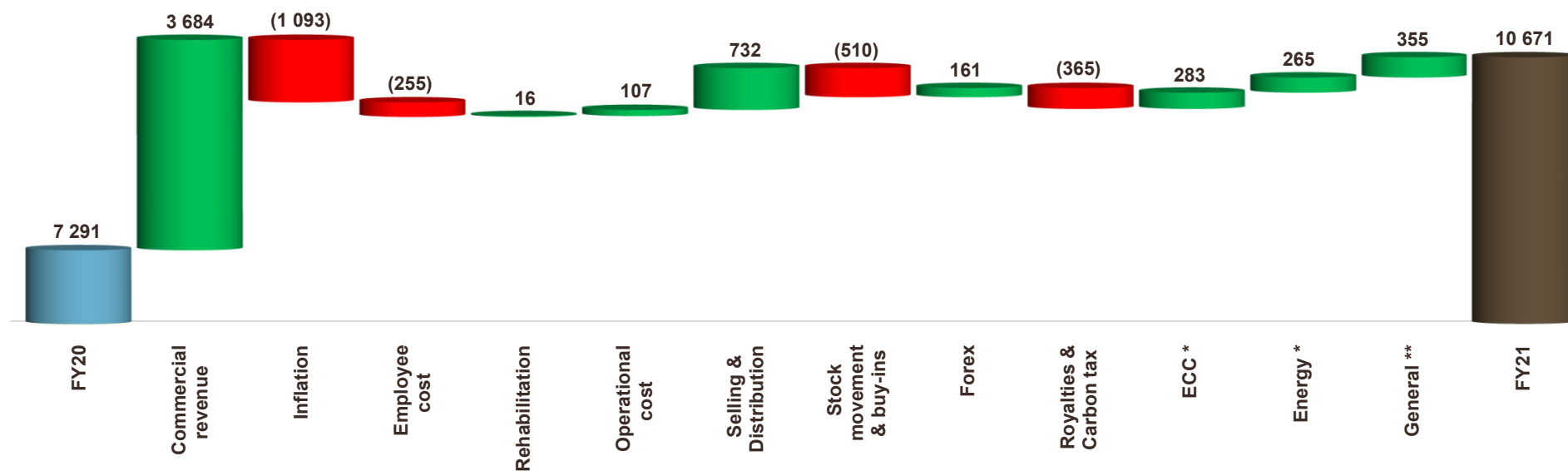
R million



\* ECC included for 12 months in FY20 compared to eight months in FY21; Energy included for nine months in FY20 compared to 12 months in FY21

## Group core EBITDA | higher revenue and cost containment increase profitability

R million



Coal	7 707	3 661	(1 000)	(218)	21	136	734	(536)	231	(365)	283		17	10 671
Energy	648											265		913
Ferrous	12	20	(11)	6	(3)	(30)		33					(3)	24
Other	(1 076)	3	(82)	(43)	(2)	1	(2)	(7)	(70)				341	(937)
	7 291	3 684	(1 093)	(255)	16	107	732	(510)	161	(365)	283	265	355	10 671

\* ECC included for 12 months in FY20 compared to eight months in FY21; Energy included for nine months in FY20 compared to 12 months in FY21

\*\* Total EBITDA variance for Matla included in General = +R13 million

## Coal | robust portfolio delivering record profitability

*R million*

	1H21	2H21	FY20	FY21
<b>Revenue</b>	14 525	<b>16 870</b>	27 875	<b>31 395</b>
Commercial Waterberg	8 168	<b>8 684</b>	15 449	<b>16 852</b>
Commercial Mpumalanga	3 960	<b>5 479</b>	8 037	<b>9 439</b>
Tied Mpumalanga	2 386	<b>2 703</b>	4 355	<b>5 089</b>
Other	11	<b>4</b>	34	<b>15</b>
<b>EBITDA</b>	4 355	<b>6 316</b>	7 707	<b>10 671</b>
Commercial Waterberg	4 256	<b>4 371</b>	8 093	<b>8 627</b>
Commercial Mpumalanga	166	<b>1 954</b>	(433)	<b>2 120</b>
Tied Mpumalanga	78	<b>79</b>	144	<b>157</b>
Other	(145)	<b>(88)</b>	(97)	<b>(233)</b>
<b>EBITDA margin (%)</b>	30	<b>37</b>	28	<b>34</b>

# Cennergi | consistent renewable energy performance

## Performance since acquisition

	Unit	1H21	2H21	FY20 <sup>(3)</sup>	FY21
<b>Energy generation</b>	GWh	331	<b>393</b>	553	<b>724</b>
Revenue	Rm	539	<b>654</b>	889	<b>1 193</b>
EBITDA <sup>(1)</sup>	Rm	446	<b>543</b>	671	<b>989</b>
EBITDA margin <sup>(2)</sup>	%	83	<b>83</b>	75	<b>83</b>
Debt	Rm	4 814	<b>4 755</b>	4 865	<b>4 755</b>
Finance charges	Rm	251	<b>252</b>	401	<b>503</b>

<sup>(1)</sup> FY20: Includes R60 million once off non-cash costs relating to a fair value hedge accounting adjustment and a minority shareholder obligation cost

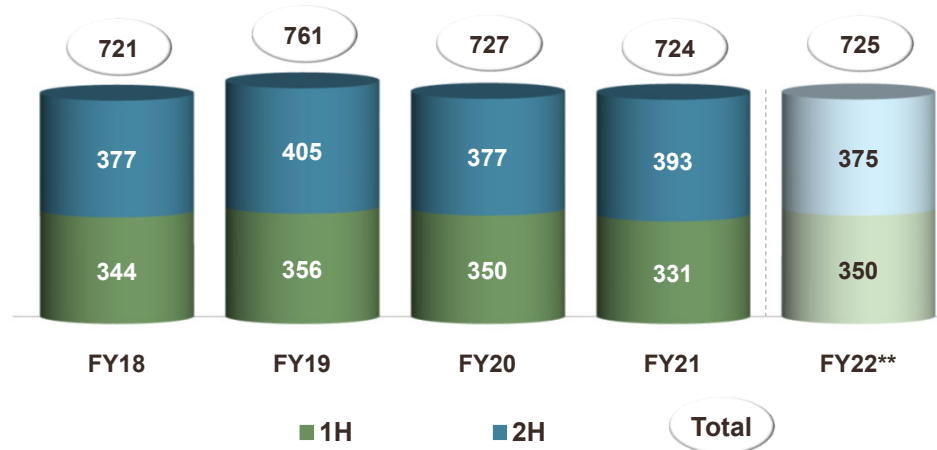
<sup>(2)</sup> FY20: EBITDA margin is 81%, excluding the items mentioned above not expected to recur

<sup>(3)</sup> Only nine months included since the step-up acquisition on the 1<sup>st</sup> of April 2020

## Average electricity generation

	<u>Amakhala</u>	<u>Tsitsikamma</u>
Capacity factor (historic)*	36%	40%
Contracted equipment availability	97%	97%
Electricity generation (guideline annual average)	405GWh	320GWh

GWh#



\* Ratio of actual electricity output over a given period of time compared to the maximum possible output over that period of time

\*\* FY22 based on latest internal forecast

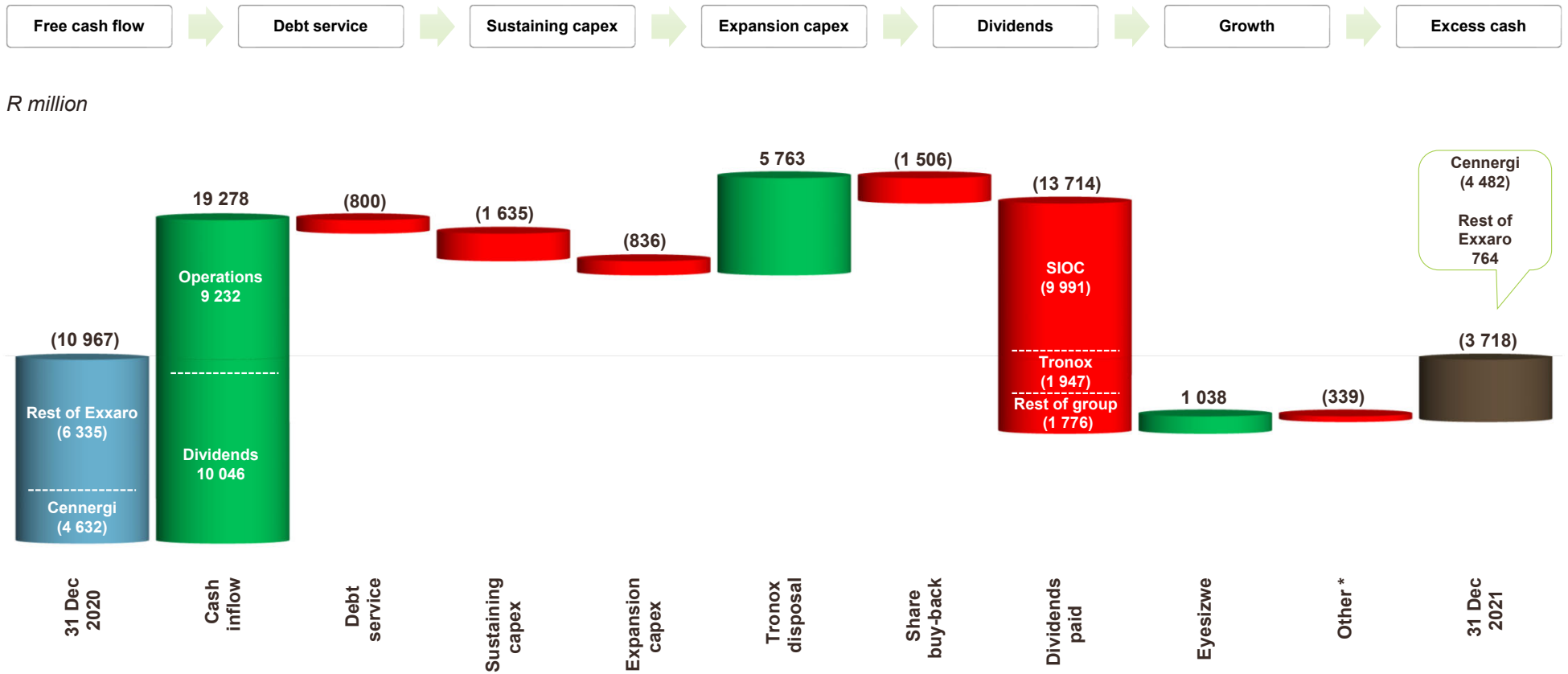
# 100% basis although only 50% equity-accounted income was included in Exxaro results up to 1Q20

## Group core earnings | strong commodity prices increase earnings

<i>R million</i>	1H21	2H21	% change	FY20	FY21	% change
<b>Net operating profit</b>	3 043	<b>4 951</b>	63	4 856	<b>7 994</b>	65
<b>Income from investments</b>	21	<b>34</b>	62	73	<b>55</b>	(25)
<b>Net financing cost – Exxaro excluding Cennergi</b>	(139)	<b>10</b>	107	(443)	<b>(129)</b>	71
<b>Net financing cost – Cennergi</b>	(246)	<b>(246)</b>		(389)	<b>(492)</b>	(26)
<b>Post-tax equity-accounted income</b>	6 666	<b>3 177</b>	(52)	6 455	<b>9 843</b>	52
Coal: RBCT	3	<b>(21)</b>		8	<b>(18)</b>	
Mafube	98	<b>277</b>	183	67	<b>375</b>	
Tumelo*		<b>29</b>			<b>29</b>	
Ferrous: SIOC	6 317	<b>2 718</b>	(57)	6 123	<b>9 035</b>	48
TiO <sub>2</sub> : Tronox SA*	54			226	<b>54</b>	(76)
Energy: Cennergi				13		
LightApp	(5)	<b>21</b>		(18)	<b>16</b>	189
Other: Black Mountain	199	<b>153</b>	(23)	122	<b>352</b>	189
Other				(86)		
<b>Tax</b>	(593)	<b>(1 723)</b>	(191)	(979)	<b>(2 316)</b>	(137)
<b>Non-controlling interest</b>	(1 948)	<b>(1 439)</b>	26	(2 111)	<b>(3 387)</b>	(60)
<b>Attributable earnings</b>	6 804	<b>4 764</b>	(30)	7 462	<b>11 568</b>	55
<b>Attributable earnings per share (cents)</b>	2 722	<b>1 961</b>	(28)	2 973	<b>4 683</b>	58
<b>WANOS**</b>	250	<b>243</b>	(3)	251	<b>247</b>	(2)

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

# Capital allocation | disciplined capital allocation with strong balance sheet



\* Mainly shares acquired to settle vested share-based payment schemes (-R382 million) offset by proceeds on disposal of subsidiaries (+R99 million)

*Detail net debt movement graph on slide 44*

## Shareholder return | final dividend

	<b>Total FY21</b>	<b>Final 2H21</b>	Interim 1H21	Total FY20
<b>Dividend cover - Group adjusted earnings* (times)</b>	<b>2.5</b>	<b>2.5</b>	2.5	
<b>SIOC dividend declared (Rm)</b>	<b>8 984</b>	<b>2 655</b>	6 329	5 369
<b>Dividend declared per share** (cents)</b>	<b>3 252</b>	<b>1 175</b>	2 077	2 429
<b>Dividend declared** (Rm)</b>	<b>11 412</b>	<b>4 102</b>	7 310	8 713
Eyesizwe	<b>3 499</b>	<b>1 264</b>	2 235	2 614
Other	<b>7 913</b>	<b>2 838</b>	5 075	6 099

\* Cover calculated on adjusted core attributable earnings    \*\* FY20 includes special dividend declared



# OUTLOOK

Mxolisi Mgojo | Chief Executive Officer



## Business outlook 1H22 | impact of Russia invasion of Ukraine



- **European energy crisis** a significant downside risk to **global economic activity**
- **Commodities, energy policy** and **energy transition**



- **Geopolitical** relations (BRICS)
- **Inflationary** pressures
- **Fiscal windfall** as a result of increasing commodity prices
- **Volatile USD/ZAR** exchange rate



- **Price shock** to the global coal markets
- **High-quality thermal coal** imports into Europe, however **TFR logistical challenges**
- **Fuel cost** inflationary pressures (diesel)



## Conclusion | **transitioning responsibly towards low carbon future**



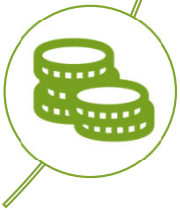
Results underpin our **early coal value realisation**



Focus on **executing our growth and impact strategy**



Balance **value distribution** with **long term investments** towards our **Just Transition**



**ESG** is embedded in our strategy in order to **deliver stakeholder value**

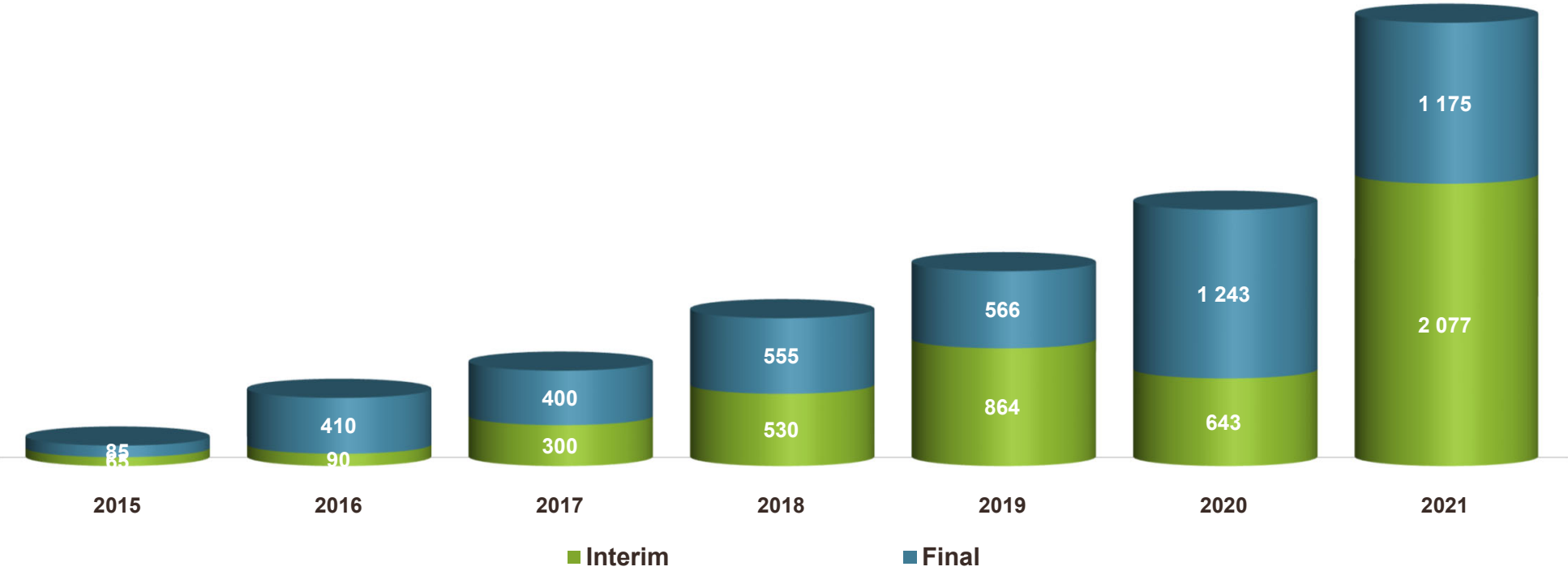


**THANK YOU**



**ADDITIONAL INFORMATION**

# Performance highlights | record ordinary dividend

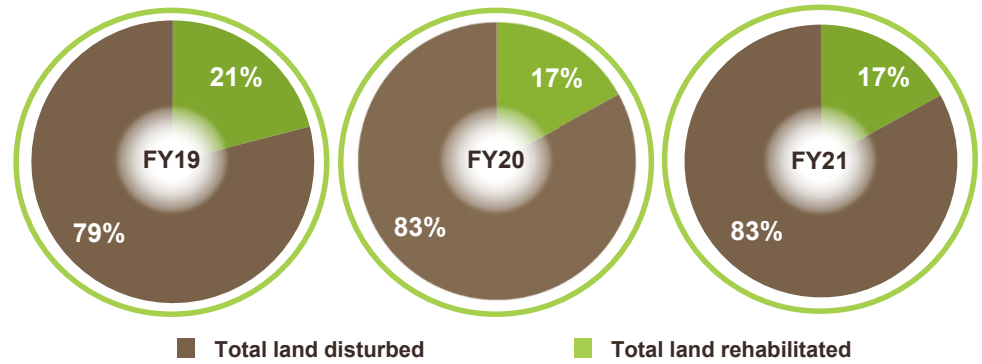


# SHEC | integrated environmental management

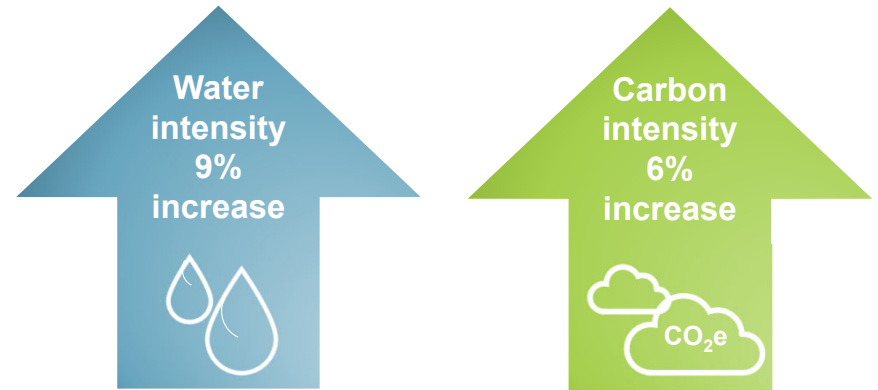
- With the exclusion of ECC the total ratio between **Land rehabilitated and Disturbed stayed** constant.
- Concurrent rehabilitation is budgeted, and progress is reported on a 2-weekly basis.
- The integrity of all mine residue facilities was audited for compliance to SANS 10285 (SA standard) and the Global Industry Standard on Tailings Management. Good progress made in closing out findings.
- **Environment:** Our excellent performance continued, where we again recorded zero incidents.
- **Total Water intensity:** Our overall water consumption in 2021 reduced by 6% to 10 281ML compared to 2020. However, production (ROM\*) was lower in 2021 and this increased the intensity which resulted in overall water efficiency rate deteriorating by 9% compounded by higher storages of water at all our operations during 2021 due to high rainfall received during the reporting period.
- **Total Carbon intensity :** Our overall energy consumption decreased (diesel 91 838 KI (2021) vs 96 131 KI (2020) and electricity 575 428 MWh (2021) vs 605 770 MWh (2020)). However, the intensity increased by 6% from 4.98ktCO<sub>2</sub>e / TTH\*\* to 5.29ktCO<sub>2</sub>e / TTH due to 15% reduction in TTH.

\* Run of mine    \*\* Total tonnes handled

## Land disturbed vs land rehabilitated (%)



## Water and Carbon intensity



## Coal | product volumes

'000 tonnes	FY19	FY20	FY21	FY22*	FY23*	FY24*
<b>Thermal production</b>	43 479	44 933	<b>40 375</b>	41 125	37 395	37 042
Grootegeluk	25 683	26 554	<b>25 359</b>	26 720	26 672	26 739
Matla	5 991	6 153	<b>5 903</b>	5 687	5 409	4 985
ECC	4 511	3 834	<b>2 789</b>			
Leeuwpan	4 396	3 720	<b>2 396</b>	3 487		
Belfast	1 029	2 850	<b>2 521</b>	3 262	3 348	3 368
Mafube (Buy-ins from Mafube JV)	1 869	1 822	<b>1 407</b>	1 969	1 966	1 950
<b>Buy-ins</b>	29	291	<b>232</b>			
<b>Total thermal product</b> (including buy-ins)	43 508	45 224	<b>40 607</b>	41 125	37 395	37 042
<b>Total metallurgical production</b> – Grootegeluk	2 074	2 222	<b>1 894</b>	2 967	3 840	4 203
<b>Total product</b>	45 582	47 446	<b>42 501</b>	44 092	41 235	41 245

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

## Coal | sales volumes

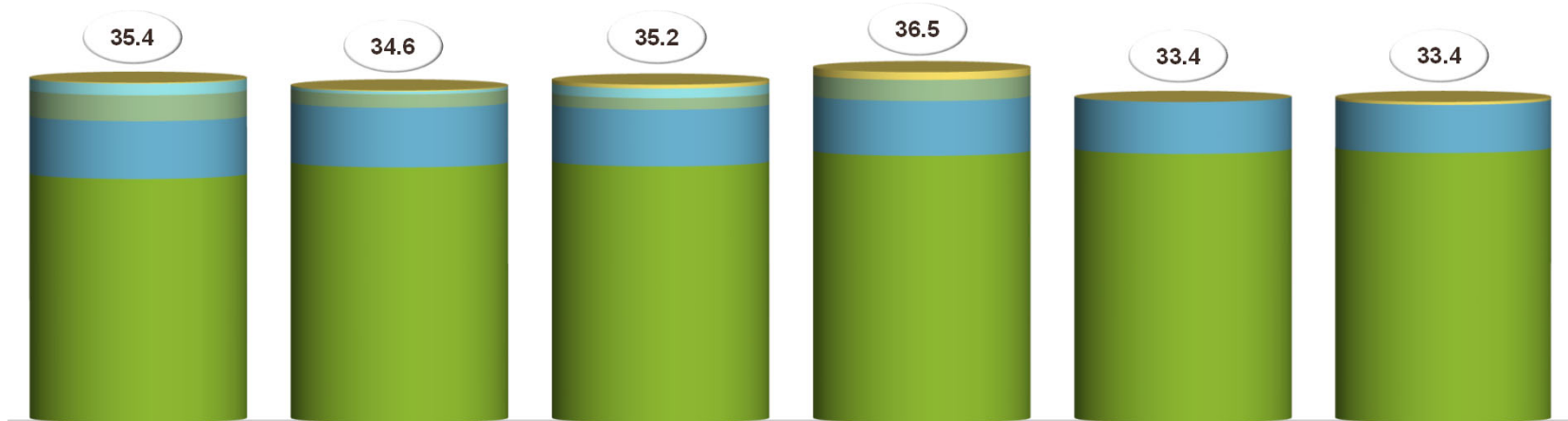
'000 tonnes	FY19	FY20	FY21	FY22*	FY23*	FY24*
<b>Sales to Eskom</b>	31 396	30 861	<b>30 361</b>	31 879	30 521	30 098
Grootegeeluk	23 157	24 704	<b>24 462</b>	25 122	25 122	25 122
Matla	5 998	6 157	<b>5 899</b>	5 677	5 399	4 976
Leeuwpan	1 343			1 080		
ECC	898					
<b>Other domestic thermal coal sales</b>	3 020	2 692	<b>3 810</b>	3 247	1 546	1 893
Grootegeeluk	1 268	925	<b>1 236</b>	1 375	1 546	1 615
Mpumalanga	1 734	1 767	<b>2 574</b>	1 872		278
<b>Exports</b>	9 087	12 170	<b>7 632</b>	7 618	7 830	7 830
<b>Total thermal coal sales</b>	43 503	45 723	<b>41 803</b>	42 744	39 897	39 821
<b>Total domestic metallurgical coal sales</b>	1 030	1 036	<b>956</b>	1 351	1 351	1 407
<b>Total sales</b>	44 533	46 759	<b>42 759</b>	44 095	41 248	41 228

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



## Coal | domestic market volumes per mine

Million tonnes

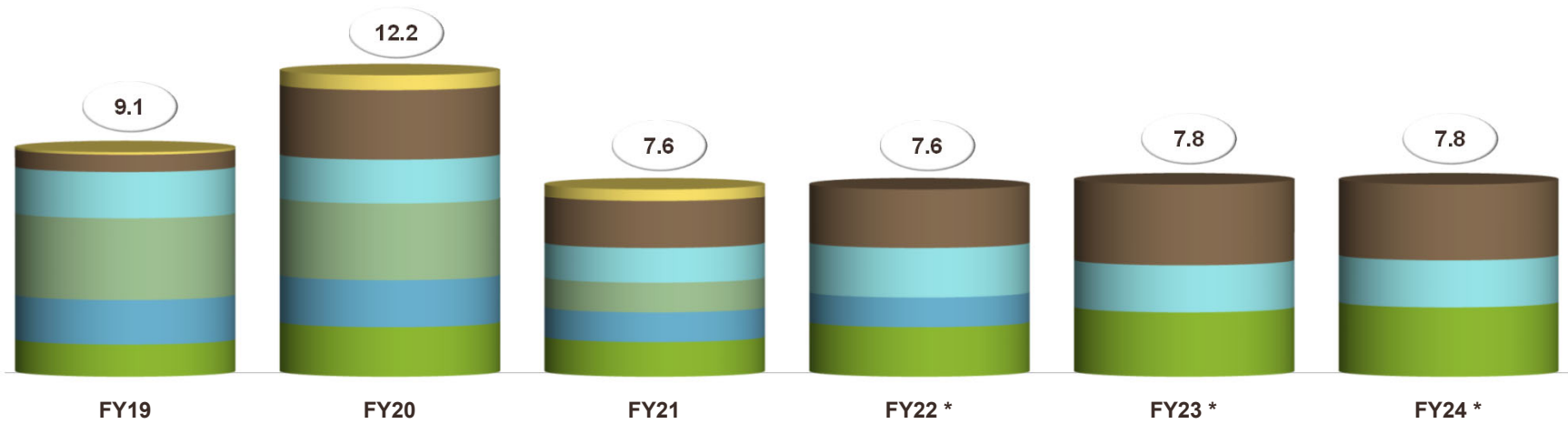


	FY19	FY20	FY21	FY22 *	FY23 *	FY24 *
<b>Grootegeluk</b>	25.4	26.6	26.7	27.8	28.0	28.1
<b>Matla</b>	6.0	6.2	5.9	5.7	5.4	5.0
<b>Leeuwpan</b>	2.7	1.4	1.2	2.2		
<b>ECC</b>	1.2	0.3	1.0			
<b>Belfast</b>	0.1	0.1	0.4	0.8		0.3
<b>Total</b>	<b>35.4</b>	<b>34.6</b>	<b>35.2</b>	<b>36.5</b>	<b>33.4</b>	<b>33.4</b>

\* Based on latest internal forecast

# Coal | export volumes per mine

Million tonnes



	FY19	FY20	FY21	FY22 *	FY23 *	FY24 *
<b>Grootegeluk</b>	1.3	2.0	1.4	2.0	2.6	2.8
<b>Leeuwpans</b>	1.8	1.9	1.2	1.2		
<b>ECC</b>	3.3	3.1	1.2			
<b>Mafube</b>	1.9	1.8	1.4	2.0	1.9	1.9
<b>Belfast</b>	0.7	2.8	1.9	2.4	3.3	3.1
<b>Other**</b>	0.1	0.6	0.5			
<b>Total</b>	<b>9.1</b>	<b>12.2</b>	<b>7.6</b>	<b>7.6</b>	<b>7.8</b>	<b>7.8</b>

\* Based on latest internal forecast \*\* Buy-ins and inventory

## Coal | sensitivities FY21

Measure	Sensitivity	Impact on NOP* (Rm)	
Royalty cost	1%	(296)	296
Environmental rehabilitation discount rate	1%	(230)	205
Domestic sales volumes	1%	(117)	117
Export price per tonne	US\$1	(113)	113
Exchange rate	10 cent	(65)	65
Export sales volumes	1%	(36)	36
Labour	1%	(28)	28
Railage	1%	(19)	19
Fuel	1%	(9)	9
Electricity	1%	(5)	5

\* Net operating profit

## Financial overview | group IFRS

<i>R million</i>	1H21	2H21	% change	FY20	FY21	% change
<b>Revenue</b>	15 144	<b>17 627</b>	16	28 924	<b>32 771</b>	13
<b>Operating expenses</b>	(9 896)	<b>(13 198)</b>	(33)	(24 127)	<b>(23 094)</b>	6
<b>Net operating profit</b>	5 248	<b>4 429</b>	(16)	4 797	<b>9 677</b>	125
<b>Net operating profit margin (%)</b>	35	<b>25</b>	(10)	17	<b>30</b>	15
<b>Impairment of equity accounted investments</b>				(504)		
<b>Post-tax equity-accounted income</b>	6 670	<b>3 174</b>	(52)	6 411	<b>9 844</b>	54
<b>Attributable earnings: owners of parent</b>	8 224	<b>4 443</b>	(46)	7 283	<b>12 667</b>	74
<b>Headline earnings*</b>	6 804	<b>4 764</b>	(30)	7 417	<b>11 568</b>	56
<b>EBITDA</b>	4 331	<b>6 340</b>	46	7 246	<b>10 671</b>	47
<b>Cash generated from operations</b>	3 973	<b>6 579</b>	66	7 770	<b>10 552</b>	36
<b>Capital expenditure</b>	1 174	<b>1 297</b>	10	3 175	<b>2 471</b>	(22)
<b>Net debt</b>	7 130	<b>3 718</b>	(48)	10 967	<b>3 718</b>	(66)
<b>Attributable earnings per share (cents)**</b>	3 290	<b>1 838</b>	(44)	2 902	<b>5 128</b>	77
<b>Headline earnings per share (cents)**</b>	2 722	<b>1 961</b>	(28)	2 955	<b>4 683</b>	58

\* Non-IFRS number \*\* Based on a weighted average number of shares of 247 million (1H21 = 250 million; 2H21 = 243 million; FY20 = 251 million)

## Financial overview | non-core adjustments

*R million*

	1H21	2H21	FY20	FY21
<b>Coal</b>	(10)	<b>(978)</b>	(2 293)	<b>(988)</b>
Impairment of assets at Thabametsi		<b>(21)</b>		<b>(21)</b>
Profit on disposal/transfer of operations			21	
Loss on disposal of subsidiaries		<b>(946)</b>		<b>(946)</b>
BEE Phase II implementation			(870)	
Impairment of ECC			(1 378)	
Change in effective equity percentage in RBCT			(20)	
Insurance claims received			32	
Loss on disposal of non-core assets	(10)	<b>(11)</b>	(78)	<b>(21)</b>
<b>Ferrous:</b> BEE Phase II implementation			(11)	
<b>TiO<sub>2</sub>:</b> Disposal of Tronox investments	2 215			<b>2 215</b>
<b>Energy</b>			1 262	
Profit on deemed disposal of Cennergi JV			1 321	
Recycling of our share of cash flow hedge of Cennergi JV on deemed disposal			(59)	

## Financial overview | non-core adjustments (continued)

<i>R million</i>	1H21	2H21	FY20	FY21
<b>Other</b>		<b>456</b>	983	<b>456</b>
BEE Phase II implementation			881	
Realisation of FCTR on liquidation, deregistration and disposal of investment in foreign entities		<b>482</b>	116	<b>482</b>
Loss on disposal of non-core assets and other		<b>(26)</b>	(14)	<b>(26)</b>
<b>Non-core adjustment impact on net operating profit</b>	2 205	<b>(522)</b>	(59)	<b>1 683</b>
Impairment of investment in associates*			(504)	
Post-tax equity-accounted income	4	<b>(3)</b>	(44)	<b>1</b>
Tax on items with impact on net operating profit	(375)	<b>109</b>	260	<b>(266)</b>
Non-controlling interest on items with impact on net operating profit	(414)	<b>95</b>	168	<b>(319)</b>
<b>Total non-core adjustment impact on attributable earnings</b>	1 420	<b>(321)</b>	(179)	<b>1 099</b>

\* Net operating profit for FY20 has been re-presented to exclude the impairment on the equity-accounted investments held in Curapipe and Insect Technology

## Financial overview | group core\*

<i>R million</i>	1H21	2H21	% change	FY20	FY21	% change
<b>Revenue</b>	15 144	<b>17 627</b>	16	28 924	<b>32 771</b>	13
Operating expenses	(12 101)	<b>(12 676)</b>	(5)	(24 069)	<b>(24 777)</b>	(3)
Add back: Depreciation	1 288	<b>1 389</b>	8	2 436	<b>2 677</b>	10
<b>EBITDA</b>	4 331	<b>6 340</b>	46	7 291	<b>10 671</b>	46
<b>EBITDA margin (%)</b>	29	<b>36</b>	7	25	<b>33</b>	8
<b>Post-tax equity-accounted income</b>	6 666	<b>3 177</b>	(52)	6 455	<b>9 843</b>	52
<b>Headline earnings*</b>	6 804	<b>4 764</b>	(30)	7 462	<b>11 568</b>	55
<b>Headline earnings per share (cents)**</b>	2 722	<b>1 961</b>	(28)	2 973	<b>4 683</b>	58
<b>Average R/US\$ rate</b>						
Realised	14.78	<b>14.94</b>	1	16.43	<b>14.88</b>	(9)
Spot	14.53	<b>15.03</b>	3	16.45	<b>14.78</b>	(10)
<b>Average API4 export price (US\$/tonne)</b>	97.75	<b>150.50</b>	54	65.20	<b>124.12</b>	90
<b>Average coal export price realised</b>						
US\$/tonne	77.69	<b>117.18</b>	51	48.00	<b>95.84</b>	100
R/tonne	1 129	<b>1 761</b>	56	789	<b>1 416</b>	79

\* Non-IFRS number \*\* Based on a weighted average number of shares of 247 million (1H21 = 250 million; 2H21 = 243 million; FY20 = 251 million)

## Financial overview | core EBITDA vs Cash generated by operations

<i>R million</i>	1H21	2H21	FY20	FY21
<b>Core EBITDA</b>	4 331	<b>6 340</b>	7 291	<b>10 671</b>
<i>Adjustments:</i>				
Insurance claims received			32	
Expected credit losses adjustment	(65)	<b>8</b>	(144)	<b>(57)</b>
Write-off of trade and other receivables and ESD loans	79	<b>13</b>	35	<b>92</b>
Movement in provisions	194	<b>(178)</b>	(1 096)	<b>16</b>
Foreign currency differences	(16)	<b>(11)</b>	(8)	<b>(27)</b>
Fair value adjustments on financial instruments	(119)	<b>(113)</b>	(73)	<b>(232)</b>
Gain on derecognition of financial asset at FVOCI*		<b>(175)</b>		<b>(175)</b>
Indemnification asset movement			798	
Share-based payment expense	117	<b>129</b>	250	<b>246</b>
Ineffective hedge interest rate swap	4	<b>6</b>	57	<b>10</b>
Translation of foreign currency items	3	<b>(153)</b>	(13)	<b>(150)</b>
Amortisation of transaction costs	20	<b>(15)</b>	5	<b>5</b>
Non-cash recoveries	(42)	<b>50</b>	132	<b>8</b>
Other non-cash movements	(5)	<b>5</b>	(7)	
Working capital cash flow	(528)	<b>673</b>	511	<b>145</b>
<b>Cash generated by operations</b>	<b>3 973</b>	<b>6 579</b>	<b>7 770</b>	<b>10 552</b>

\* Fair value through other comprehensive income



## Group | capital expenditure

<i>R million</i>	FY20	FY21	FY22*	FY23*	FY24*
<b>Sustaining</b>	2 225	<b>1 635</b>	1 870		
Coal	2 110	<b>1 564</b>	1 870	Average R2 billion per annum**	
Energy	1	<b>1</b>			
Ferrous	2	<b>1</b>			
Other	112	<b>69</b>			
<b>Expansion</b>	950	<b>836</b>	779		
Coal	950	<b>836</b>	390		
Energy#			389	466	236
<b>Total capital expenditure</b>	<b>3 175</b>	<b>2 471</b>	<b>2 649</b>		

\* Based on latest internal forecast \*\* In real terms # Lephalale Solar Project

## Capital funding structure | Exxaro excluding Cennergi

R million

	Facilities available				
	Drawn	Undrawn/ committed	Undrawn/ unissued		
Term loan and revolving facility	4 525	3 250			
DMTN* programme	1 000		4 000		
<b>Interest bearing borrowings</b>	<b>5 525</b>				
Interest capitalised	50				
Lease liabilities	449				
Capitalised transaction costs	(20)				
<b>Total interest-bearing debt</b>	<b>6 004</b>				
Current	884				
Non-current	5 120				
<b>Net cash and cash equivalents</b>	<b>(6 768)</b>				
<b>Net cash</b>	<b>(764)</b>				

Maturity profile of debt		
Repayment year		6 004
Less than 6 months		644
6 – 12 months		240
1 – 2 years		487
2 – 3 years		1 141
3 – 4 years		499
4 – 5 years		2 789
> 5 years		204

\* Domestic Medium-Term Note

## Capital funding structure | Cennergi

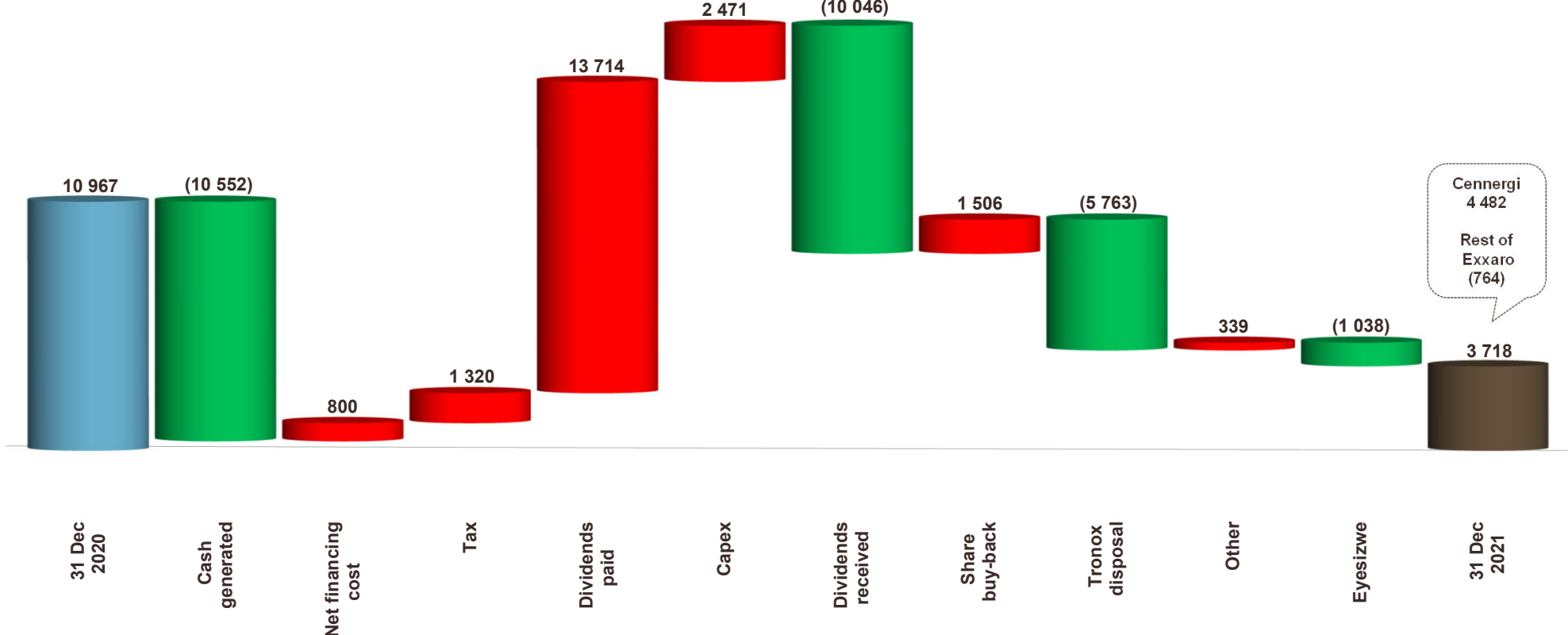
R million

	Facilities available				
	Drawn	Undrawn/ committed	Undrawn/ unissued		
Project financing	4 700	394			
<b>Interest bearing borrowings</b>	<b>4 700</b>				
Lease liabilities	55				
<b>Total interest-bearing debt</b>	<b>4 755</b>				
<b>Net cash and cash equivalents</b>	<b>(273)</b>				
<b>Net debt</b>	<b>4 482</b>				
				Maturity profile of debt*	
				Repayment year	4 755
				Less than 6 months	66
				6 – 12 months	84
				1 – 2 years	208
				2 – 3 years	273
				3 – 4 years	349
				4 – 5 years	449
				> 5 years	3 326

\* As agreed with providers of loans

# Group results | net debt FY21

R million



Cennergi  
4 482  
Rest of  
Exxaro  
(764)

## Performance | key indicators

	Target	FY20	FY21
<b>Internal key performance indicators</b>			
EBITDA interest cover* (times)	>4	15	<b>75</b>
Net debt/(cash): equity* (%)	<40	17	<b>(2)</b>
Net debt/(cash): EBITDA* (times)	<1.5	1.0	<b>(0.1)</b>
Return on capital employed (%)	>20	25	<b>45</b>
<b>Bank covenants**</b>			
Net debt/(cash): equity (%)	<80	14	<b>(1)</b>
EBITDA interest cover (times)	>4	11	<b>35</b>
Net debt: EBITDA (times)	<3	0.7	<b>0.0</b>

\* Excluding Cennergi since consolidation from 1 April 2020

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