SOUTH32

25 AUGUST 2022

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
ASX / LSE / JSE Share Code: S32 ADR: SOUHY
ISIN: AU000000S320
south32.net

2022 FULL YEAR FINANCIAL RESULTS PRESENTATION

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) will hold a conference call at 8.30am Australian Western Standard Time to discuss the attached 2022 full year financial results presentation materials, the details of which are as follows:

Conference ID:
Please pre-register for this call at link.

A presentation is attached. Following the conference call a recording will be available on the South32 website (https://www.south32.net/investors-media/investor-centre/financial-operational-results).

Separately a video presentation by South32 Chief Executive Officer, Graham Kerr, will be made available on the South32 website (https://www.south32.net/investors-media/investor-centre/financial-operational-results).

About us

South32 is a globally diversified mining and metals company. Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce commodities including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

Investor Relations

Ben Baker
T +61 8 9324 9363
M +61 403 763 086
E Ben.Baker@south32.net

Media Relations

Jamie Macdonald
T +61 8 9324 9000
M +61 408 925 140
E Jamie.Macdonald@south32.net

Miles Godfrey
T +61 8 9324 9000
M +61 415 325 906
E Miles.Godfrey@south32.net

Further information on South32 can be found at www.south32.net.

Approved for release by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
25 August 2022

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2022 FULL YEAR FINANCIAL RESULTS

25 August 2022

IMPORTANT NOTICES

This presentation should be read in conjunction with the “Financial Results and Outlook – year ended 30 June 2022” announcement released on 25 August 2022, which is available on South32’s website (www.south32.net).

Figures in italics indicate that an adjustment has been made since the figures were previously reported.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, including statements about trends in commodity prices and currency exchange rates; demand for commodities; production forecasts; plans, strategies and objectives of management; capital costs and scheduling; operating costs; anticipated productive lives of projects, mines and facilities; and provisions and contingent liabilities. These forward-looking statements reflect expectations at the date of this presentation, however they are not guarantees or predictions of future performance or statements of fact. They involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements. South32 makes no representation, assurance or guarantee as to the accuracy or likelihood or fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. Except as required by applicable laws or regulations, the South32 Group does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance. South32 cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with COVID-19. The denotation “e” refers to an estimate or forecast year.

NON-IFRS FINANCIAL INFORMATION

This presentation includes certain non-IFRS financial measures, including Underlying earnings, Underlying EBIT and Underlying EBITDA, Underlying revenue, Underlying net finance costs, Underlying depreciation and amortisation, Underlying operating costs, Underlying income tax expense, Underlying royalty related tax expense, Basic Underlying earnings per share, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on capital, Free cash flow, net debt, net operating assets and ROIC. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

NO OFFER OF SECURITIES

Nothing in this presentation should be read or understood as an offer or recommendation to buy or sell South32 securities, or be treated or relied upon as a recommendation or advice by South32.

RELIANCE ON THIRD PARTY INFORMATION

Any information contained in this presentation that has been derived from publicly available sources (or views based on such information) has not been independently verified. The South32 Group does not make any representation or warranty about the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by South32.

NO FINANCIAL OR INVESTMENT ADVICE – SOUTH AFRICA

South32 does not provide any financial or investment 'advice' as that term is defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002, and we strongly recommend that you seek professional advice.

MINERAL RESOURCES AND ORE RESERVES

Information in this presentation that relates to Ore/Coal Reserve or Mineral/Coal Resource estimates for all operations and projects was declared as part of South32’s annual Resource and Reserve declaration in the FY21 Annual Report (www.south32.net) issued on 3 September 2021 and prepared by Competent Persons in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original announcements. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. South32 confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Illawarra Metallurgical Coal Production Target cautionary statement: The Coal Resources and Coal Reserves estimates underpinning the Production Target have been prepared by Competent Persons and reported in accordance with the JORC Code. The Coal Resources and Coal Reserves estimates are available to view in South32’s FY21 Annual Report (www.south32.net) published on 3 September 2021. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Resource life is estimated using Mineral Resources (extracted from South32’s FY21 Annual Report published on 3 September 2021 and available to view on www.south32.net) and Exploration Target (details of which are available in the "Hermosa Project Update" announcement published on 17 January 2022), converted to a run-of-mine basis using conversion factors, divided by the nominated run-of-mine production rate on a 100% basis. Whilst South32 believes it has a reasonable basis to reference this resource life and incorporate it within its Production Targets, it should be noted that resource life calculations are indicative only and do not necessarily reflect future uncertainties such as economic conditions, technical or permitting issues. Resource life is based on our current expectations of future results and should not be solely relied upon by investors when making investment decisions.

Clark Deposit scoping study cautionary statement: The scoping study referred to in this presentation is based on the original announcement "Hermosa Project Update" released on 17 January 2022 and is available to view on www.south32.net. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

Taylor Production Targets cautionary statement: The information in this presentation that refers to Production Target and forecast financial information is based on Measured (20%), Indicated (62%), Inferred (14%) Mineral Resources and Exploration Target (4%) for the Taylor Deposit. The Mineral Resources underpinning the Production Target have been prepared by a Competent Person in accordance with the JORC Code. All material assumptions on which the Production Target and forecast financial information is based is provided in the "Hermosa Project Update" announcement released on 17 January 2022. There is low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target will be realised. The potential quantity and grade of the Exploration Target is conceptual in nature. In respect of Exploration Target used in the Production Target, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on South32’s current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. South32 confirms that inclusion of 18% of tonnage (14% Inferred Mineral Resources and 4% Exploration target) is not the determining factor of the project viability and the project forecasts a positive financial performance when using 82% tonnage (20% Measured and 62% Indicated Mineral Resources). South32 is satisfied, therefore, that the use of Inferred Mineral Resources and Exploration Target in the Production Target and forecast financial information reporting is reasonable.

Peake Exploration Target: The information is this presentation that relates to Exploration Target for Peake is extracted from “Hermosa Project Update” released on 17 January 2022 and is available to view on www.south32.net. The information was prepared by a Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Flux Exploration Target: The information is this presentation that relates to Exploration Target for Flux is extracted from “South32 Strategy and Business Update” released on 18 May 2021 and is available to view on www.south32.net. The information was prepared by a Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

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EARNINGS RECONCILIATION

The Group's statutory profit after tax increased by US$2,864M from a loss of US$195M to a record US$2,669M in FY22.

Consistent with our accounting policies, various items are excluded from the Group's statutory profit/(loss) to derive Underlying earnings. The total adjustments to derive Underlying EBIT (US$243M) shown in the table below include the recognition of indirect tax assets following the restart of the Brazil Aluminium smelter (US$77M pre-tax) and a net impairment loss of non-financial assets (US$145M pre-tax) primarily related to our Eagle Downs Metallurgical Coal development option (US$183M pre-tax) partially offset by an impairment reversal for Brazil Aluminium (US$42M pre-tax).

Profit/(loss) to Underlying EBITDA reconciliation[1,2]	**FY22**	**FY21[3]**
Profit/(loss) before tax and net finance costs	3,724	(94)
Adjustments to derive Underlying EBIT:		
Significant items	(77)	*(55)*
Sierra Gorda joint venture adjustments	44	–
Manganese joint venture adjustments	216	*210*
(Gains)/losses on the consolidation or disposal of interests in operations	(9)	*159*
Exchange rate (gains)/losses on the restatement of monetary items	(50)	*69*
Net impairment loss of financial assets	26	–
Net impairment loss of non-financial assets	145	*764*
(Gains)/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss	(52)	*(37)*
Major corporate restructures	-	*23*
Total adjustments to derive Underlying EBIT	**243**	***1,133***
Underlying EBIT	**3,967**	***1,039***
Underlying depreciation and amortisation	788	*817*
Underlying EBITDA	**4,755**	***1,856***

Profit/(loss) to Underlying earnings reconciliation[1,2]	**FY22**	**FY21[3]**
Profit/(loss) after tax	2,669	*(195)*
Total adjustments to derive Underlying EBIT	243	*1,133*
Total adjustments to derive Underlying net finance costs	(124)	*34*
Total adjustments to derive Underlying income tax expense	(186)	*(483)*
Underlying earnings	**2,602**	**489**

FY22 OVERVIEW

Our favourable commodity mix and recent portfolio improvements, supported record earnings and shareholder returns in FY22

- **Record earnings, free cash flow** from operations[4] and **ROIC**
- **Record shareholder returns** of US$1.3B[(a)], equal to ~10% of our market capitalisation[(b)]
- **Balance sheet returned to a net cash** position following substantial investments, transforming our portfolio
- **Increased our critical metals exposure**, adding copper and growing our low-carbon aluminium capacity by >100%[5]
- Expected to deliver **14% copper equivalent production[6] growth** in FY23
- **Advanced our growth pipeline**, delivering study milestones for our development options and increasing our investment in exploration to discover our next generation of mines

Notes:

a. In respect of the June 2022 financial year. Includes fully franked dividends (interim ordinary US$405M, final ordinary US$648M and final special US$139M) and on-market share buy-back of US$128M.

b. Based on South32's market capitalisation as at 19 August 2022. 4,628 million shares outstanding, a closing share price of A$4.19 and an AUD:USD exchange rate of 0.69.

FINANCIAL SCORECARD

Net profit after tax ↑US$2.9B to
US$2.7B

Underlying earnings ↑US$2.1B to
US$2.6B

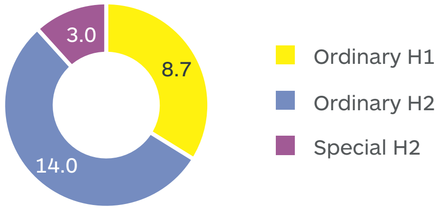
Underlying EPS ↑444% to
56.0 US cps

Underlying EBITDA ↑156% to
US$4.8B

Group operating margin[7] ↑20.7% to
47.1%

Free cash flow[4] ↑210% to
US$2.6B

FY22 Total dividends ↑272% to
25.7 US cps



FY22 Shareholder returns[(a)]
US$1.3B

Dividends	**US$1.2B**
On-market share buy-back	**US$128M**

Capital management program
↑US$156M **with** **US$250M** **remaining**

Net cash at 30 June 2022
US$538M

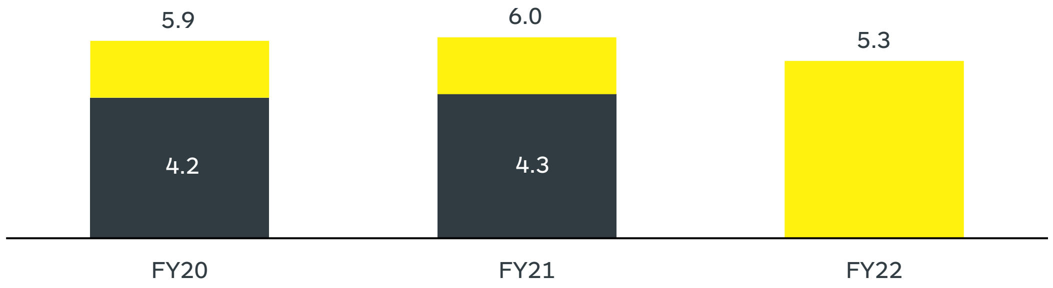
Return on invested capital ↑23.9% to
30.1%

Notes:
a. In respect of FY22, which includes fully franked dividends (interim ordinary US$405M, final ordinary US$648M and final special US$139M) and on-market share buy-back of US$128M.

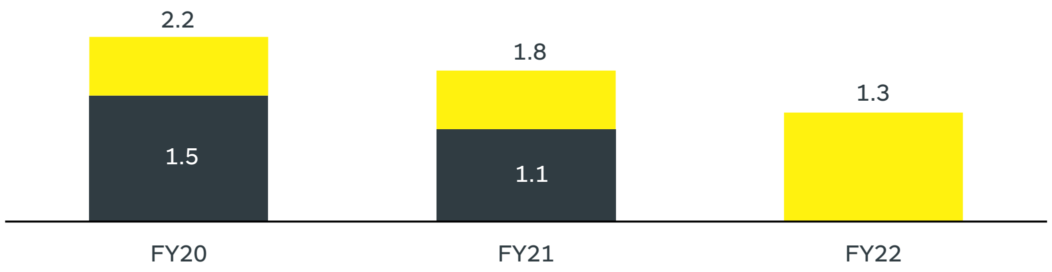
WORKING SAFELY

The most important commitment we make at South32 is that everyone goes home safe and well

TRIF[8,9]



TRILF[8,9]



- South32 (including South Africa Energy Coal and TEMCO)
- South32 (adjusted)

- We tragically lost one of our colleagues, Mr Desmin Mienies, a contractor who was fatally injured while undertaking electrical work at our Wessels Mine at South Africa Manganese in November 2021
- We have commenced the implementation of our three-year Safety Improvement Program, launched our revised internal safety standard and a new contractor management standard
- TRIF decreased by 12%, however we did not achieve our 20% reduction target

ICMM International Council on Mining & Metals

OUR FY22 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

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Protecting and respecting our people

- Commenced our Safety Improvement Program to achieve a step-change in our safety performance
- Finalised our Inclusion and Diversity standard and implemented additional controls to mitigate sexual harassment risk across our business

Managing our environmental impact

- Set new water efficiency targets for operations in baseline water stress
- Continued implementation of the Global Industry Standard on Tailings Management across our business
- Committed to a pilot program on the Taskforce on Nature-related Financial Disclosures with the ICMM

Delivering value to society

- Increased our community investment spend by ~40% to US$31M
- Completed cultural heritage exposure reviews for operating regions outside of Australia

Addressing climate change

- Progressed decarbonisation and energy transition options in support of our medium-term target[a]
- Completed an update of our assessments of the physical risks of climate change across our operated assets

Operating ethically and responsibly

- Developed our internal social performance standard, strengthening the requirements for social performance across our business
- Established a modern slavery working group to support delivery of our commitments

Our progress is being recognised in our third-party ESG ratings:

SUSTAINALYTICS a Morningstar company ESG INDUSTRY TOP RATED 2022

SUSTAINALYTICS

Rating: Medium risk (July 2022)[10]

ESG Risk Rating placement: 8 out of 169 companies in the Diversified Metals industry

MSCI

Rating: ↑ A (May 2022)[11]

There are five interconnected pillars that underpin our approach to sustainability

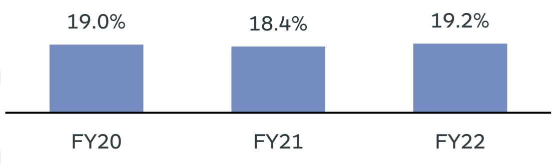
Notes:

a. Medium-term target to reduce operational greenhouse gas emissions by 50% from FY21 levels by 2035.

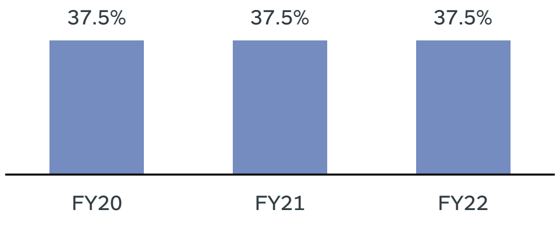
OUR FY22 INCLUSION AND DIVERSITY PROGRESS

We are improving our performance across the majority of our objectives, and have updated our medium term targets for all of our gender metrics to >40% by 2030[(a)]

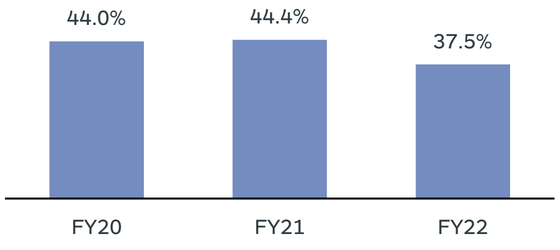
Total employees who are women



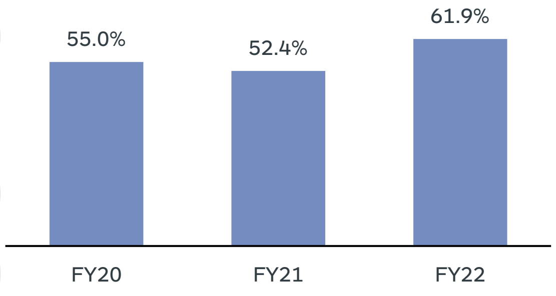
Women on our Board



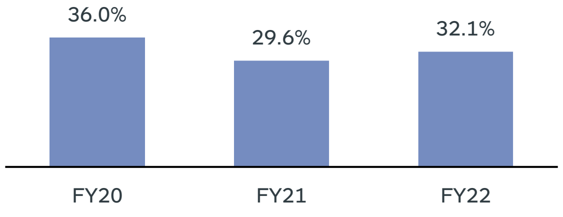
Women on our Lead Team



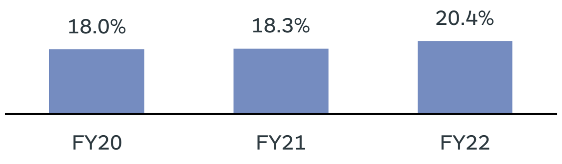
Black People[12] in our South African management team



Women in Senior leadership[13]



Women in Operational leadership[14]



Notes:
a. With Women in Senior Leadership >40% by 2028.

OUR FY22 PROGRESS IN ADDRESSING CLIMATE CHANGE

Decarbonising our operations

We progressed decarbonisation activities designed to address our largest exposures

- Completed a PFS for the mud-washing project at Worsley Alumina targeting a 295kt (or ~7%)[a] reduction in operational GHG emissions, while continuing to evaluate options to convert the refinery's energy source
- Relined our first pots utilising the AP3XLE energy efficiency technology at Hillside Aluminium, and progressed study work for options to secure low-carbon electricity
- Awarded a A$15M grant from the New South Wales government for a commercial pilot Ventilation Air Methane abatement facility at Illawarra Metallurgical Coal, in collaboration with the CSIRO

Reshaping our portfolio

We took significant steps to increase our exposure to metals critical for a low-carbon future

- Completed the acquisition of a 45% interest in the Sierra Gorda copper mine
- Expanded our low-carbon aluminium capacity by >100%
- Completed the zinc-lead-silver Taylor Deposit PFS using low-carbon design principles and advanced options for our battery-grade manganese Clark Deposit
- Continued our investment in exploration with more than 25 partnerships and projects targeting base metals

Partnering with others

We established new partnerships for collective action on climate change

- Progressed initiatives targeting supply chain emissions, signing a sustainability-linked contract with Klaveness for caustic soda shipping to Worsley Alumina
- Received provisional certification under the Aluminium Stewardship Initiative at Mozal Aluminium
- Refinanced our US$1.4B revolving credit facility as a sustainability-linked loan

Our Climate Change Action Plan will be subject to a non-binding advisory vote at our 2022 Annual General Meeting

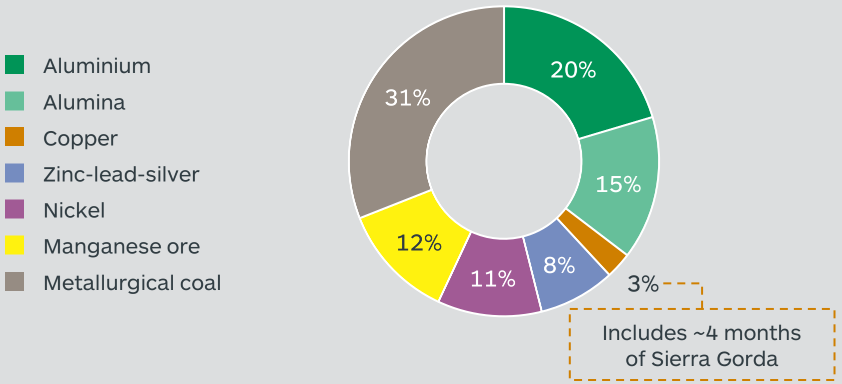
Notes:
a. Compared to Worsley Alumina's operational GHG emissions of ~3.75Mt in FY21.

FINANCIAL RESULTS

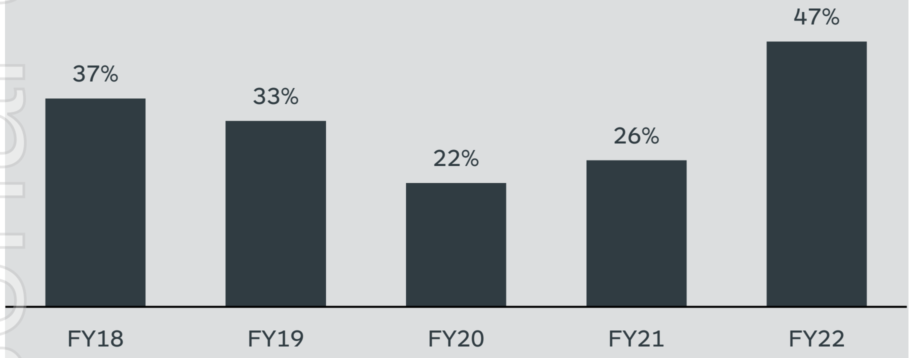
FY22 PERFORMANCE ANALYSIS

Our operations delivered to revised plans, enabling the Group to capitalise on significant price tailwinds and deliver a record 47% operating margin

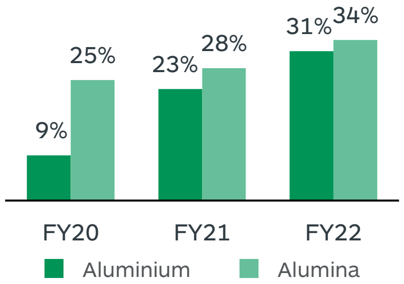
FY22 Underlying EBITDA contribution by commodity[(a)(b)(c)]



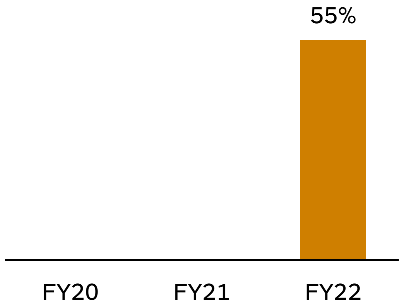
Group operating margin[7,(d)]



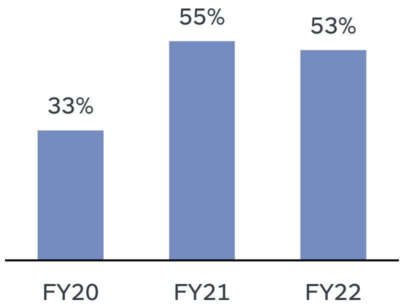
Aluminium & alumina operating margin



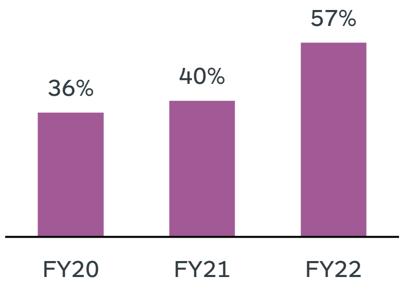
Copper operating margin[(c)]



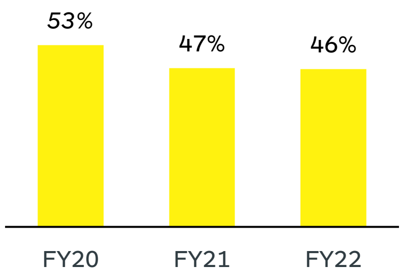
Zinc-lead-silver operating margin



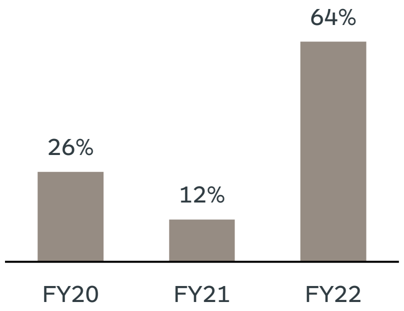
Nickel operating margin



Manganese ore operating margin[1]



Metallurgical coal operating margin[(b)]



Notes:

a. Presented on a proportional consolidation basis and excludes manganese alloys, Hermosa, and Group and unallocated costs.
b. Metallurgical coal comprises Illawarra Metallurgical Coal, including energy coal by-product volumes.
c. Copper comprises Sierra Gorda, including molybdenum, gold and silver by-product volumes.
d. Group operating margin reflects our material EAI on a proportional consolidation basis and an ownership interest of 54.6% for South Africa Manganese ore.

EARNINGS ANALYSIS

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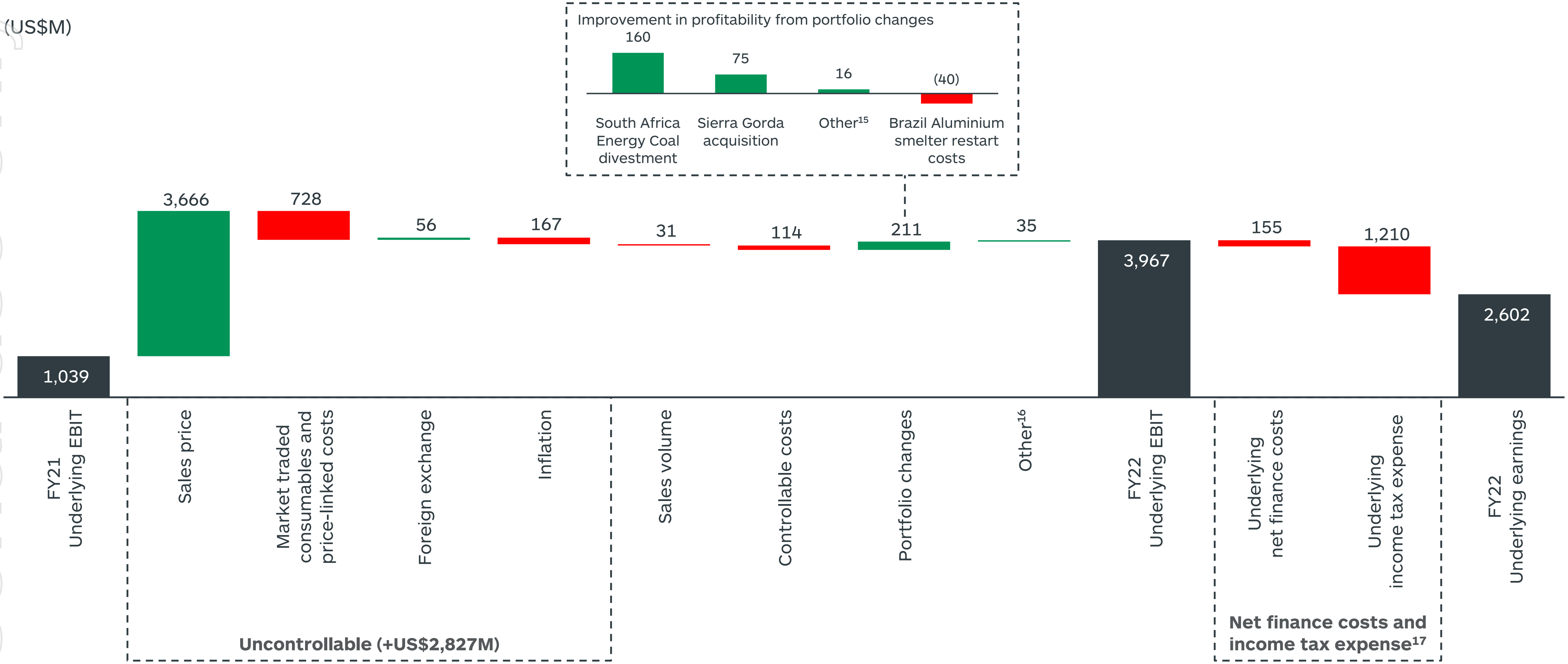
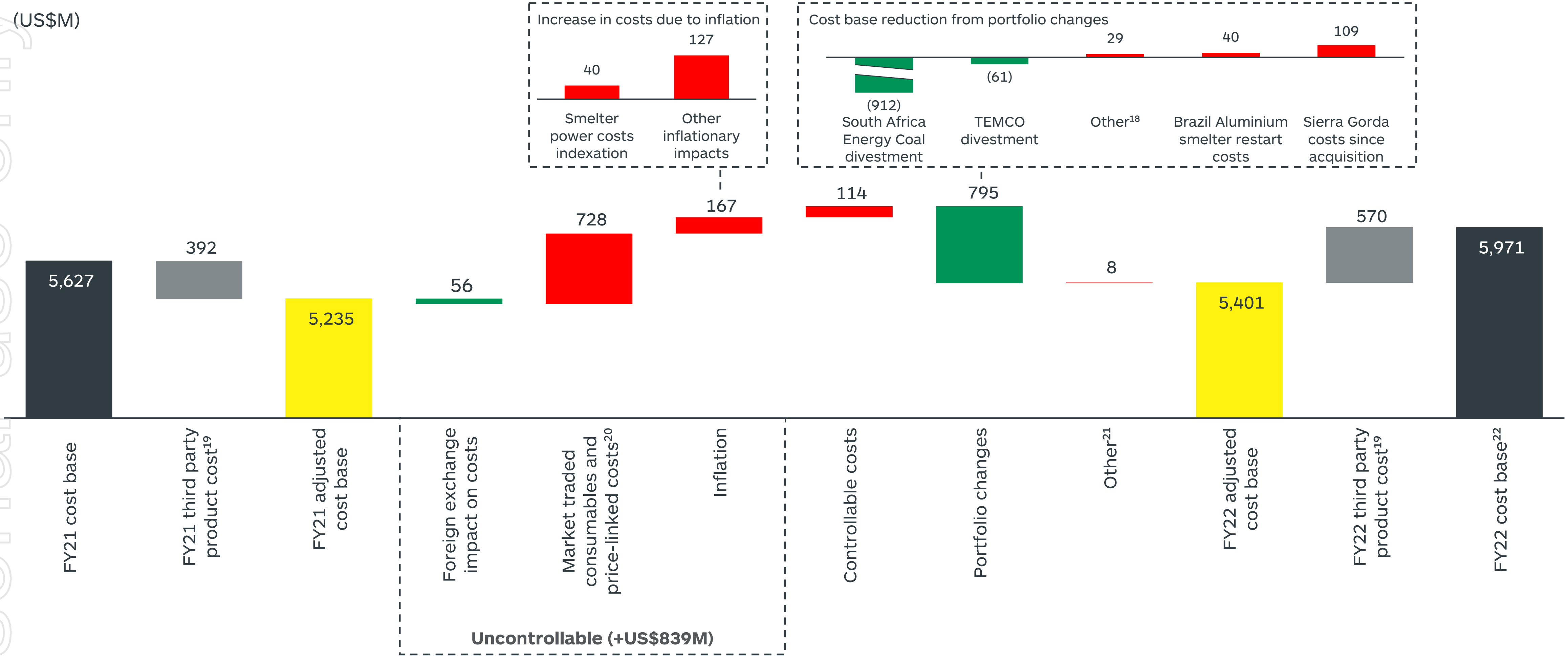
Our record Underlying EBIT was supported by our favourable commodity mix and further portfolio improvements



COST ANALYSIS

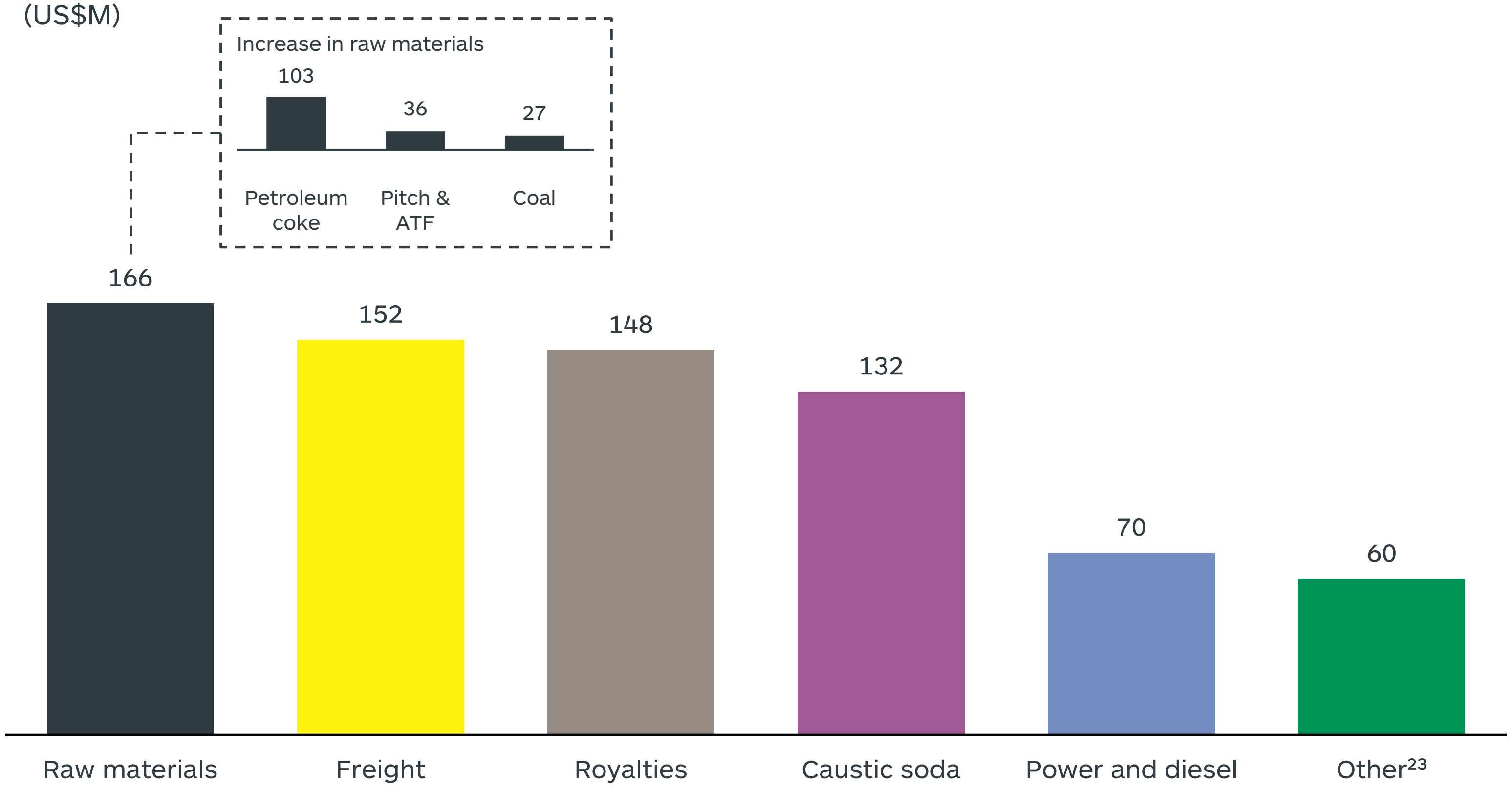
We realised the benefit of exiting lower margin businesses and limited the increase in our controllable costs to less than 2% of the Group's total cost base



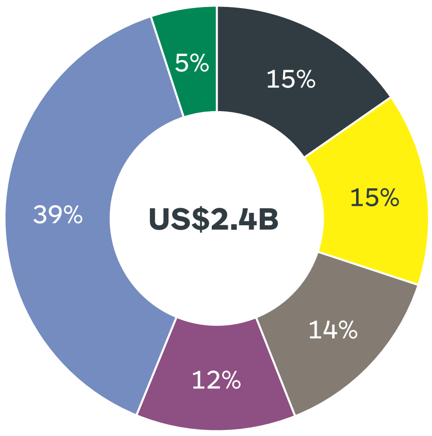
MARKET TRADED CONSUMABLES AND PRICE-LINKED COSTS

Inflation has been most acute in our smelter raw material inputs, freight and caustic soda, while higher commodity prices translated into increased royalty payments

YoY increase of US$728M in market traded consumables and price-linked costs[20]
(US$M)

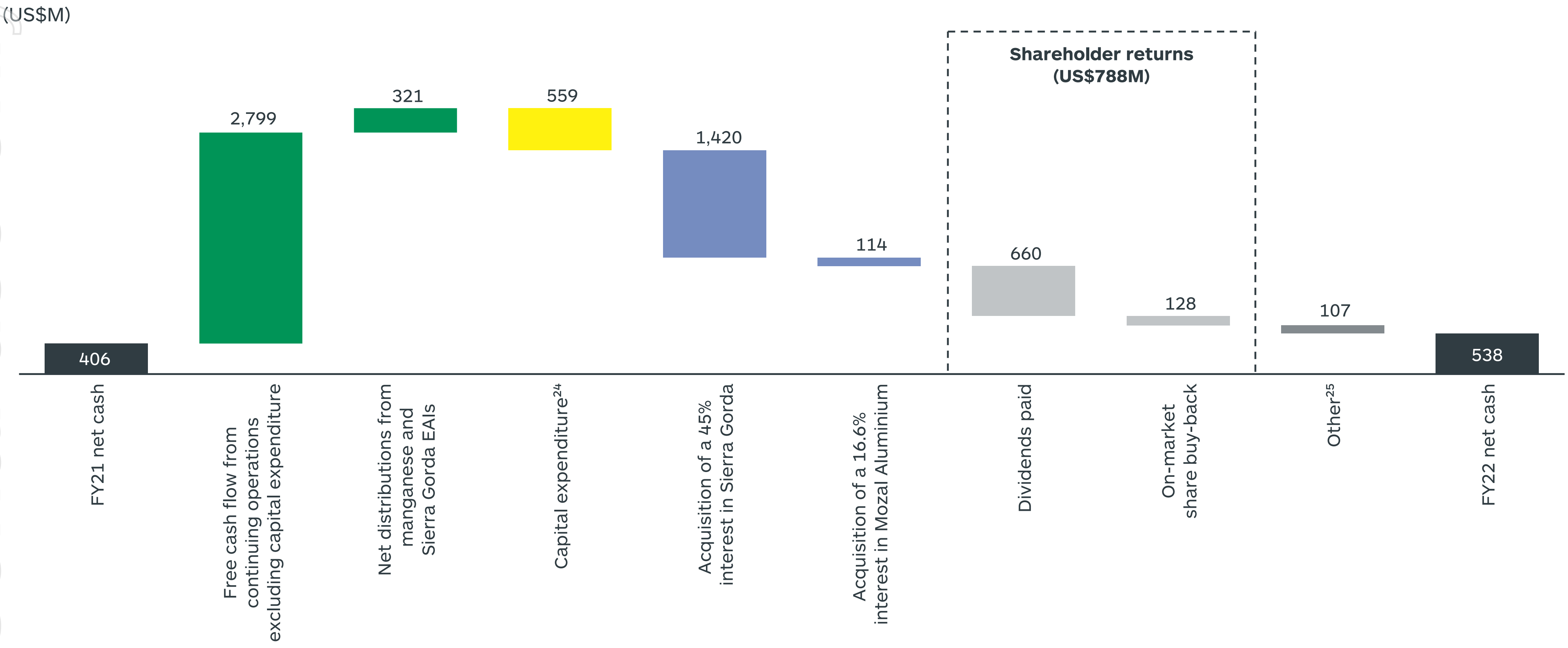


FY22 total expenditure[23]



CASH FLOW ANALYSIS

Record free cash flow from operations has delivered record shareholder returns and been invested to transform our portfolio



OUR BALANCE SHEET

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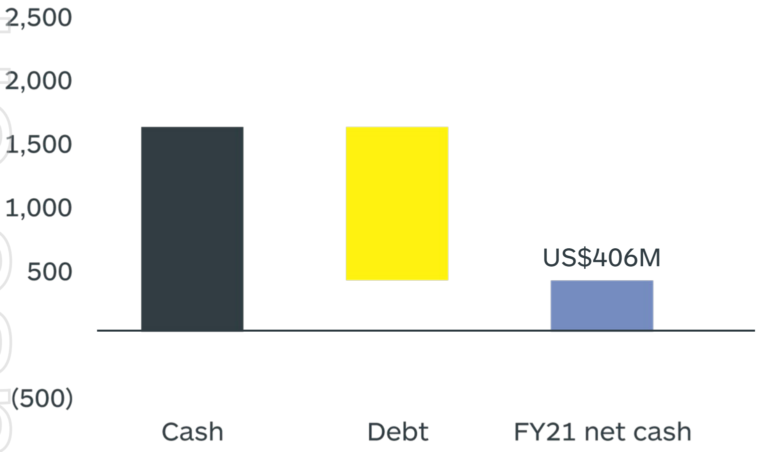
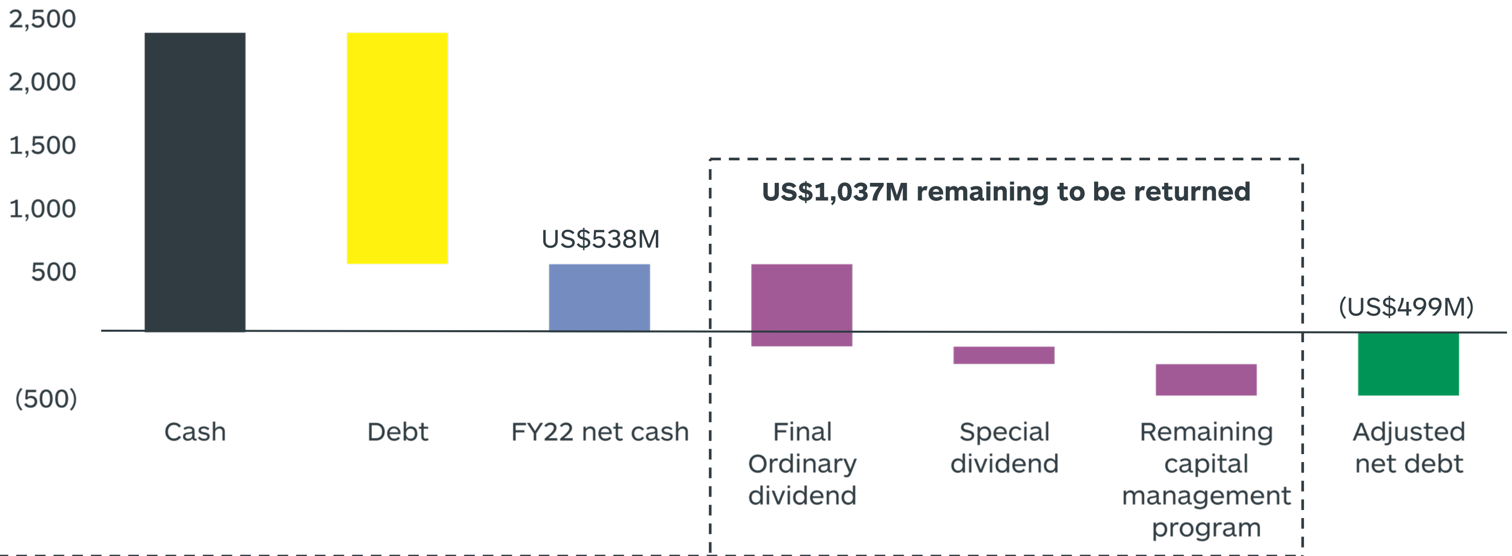
Our balance sheet returned to a net cash position following transformational portfolio activity, before our commitment to return a further US$1B to shareholders

June 2021 net cash/(debt)
(US$M)



June 2022 net cash/(debt)
(US$M)



We continue to prioritise a strong balance sheet and investment grade credit rating through the cycle

- Our liquidity position remains strong, with US$2.4B cash on hand[26] and an undrawn US$1.4B revolving credit facility[27]
- We issued US$700M in 10 year Senior Unsecured Notes (Notes) in April 2022 with a 4.35% coupon to support the acquisition of Sierra Gorda[28]
- Total debt of US$1.8B is long-dated and includes:
  - ~US$700M Notes due in 2032
  - US$556M Worsley Alumina cogeneration lease expiring in 2039[29]
  - US$335M in cash managed on behalf of our manganese JV
- Our balance sheet remains modestly geared with a leverage ratio 0.2[26]

CAPITAL MANAGEMENT FRAMEWORK

SOUTH32

Our capital management framework is unchanged

A strong balance sheet is at the core of our strategy

Our framework is designed to reward shareholders as our financial performance improves

Capital management framework

ROIC FY22 **30.1%**

Maximise cash flow

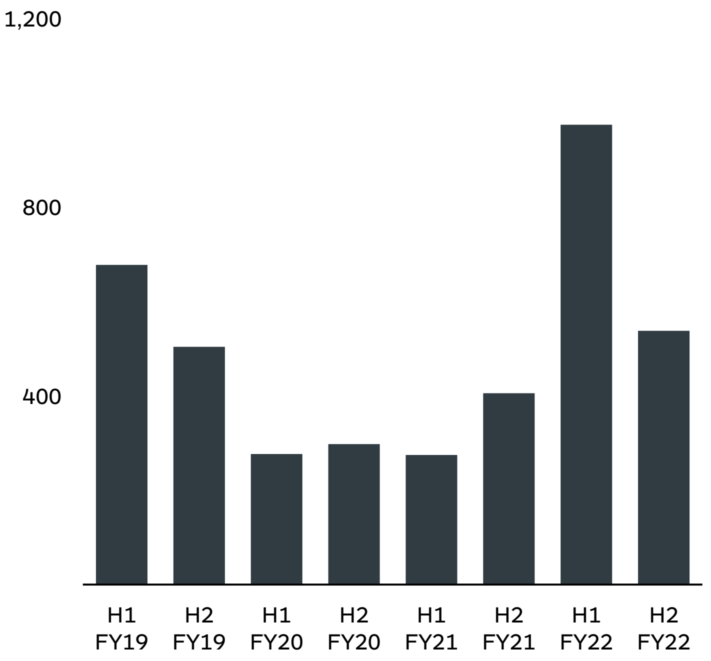
Competition for excess capital
- Investment in our business
- Acquisitions
- Greenfield exploration
- Share buy-backs
- Special dividends

Distribute a minimum 40% of Underlying earnings as ordinary dividends

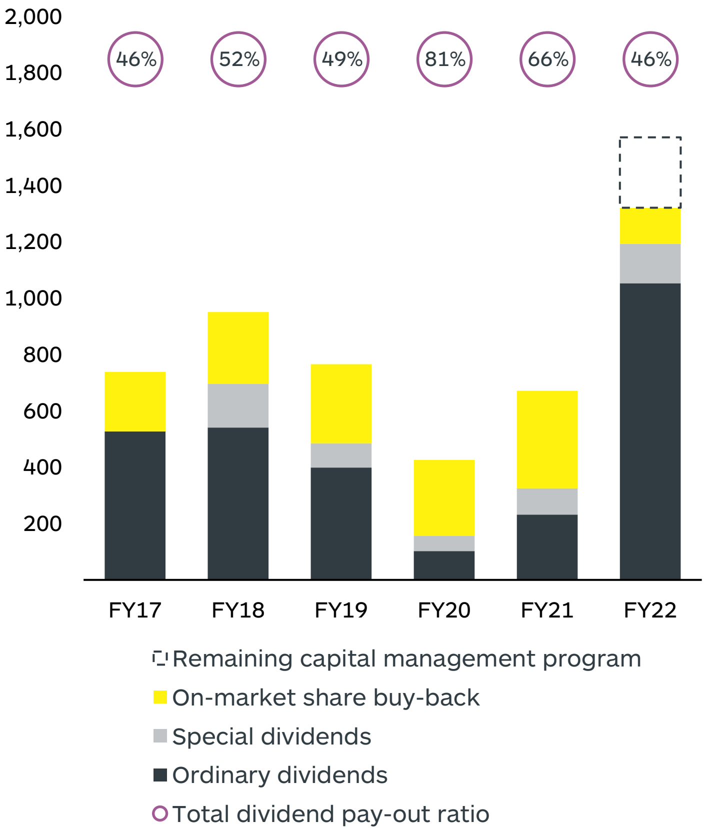
Maintain safe and reliable operations and an investment grade credit rating through the cycle

Cash flow priorities

Net cash/(debt) prior to dividend commitments
(US$M)



Shareholder returns[(a)]
(US$M)



Notes:
a. Shareholder returns refers to dividends declared in respect of each period and on-market share buy-back amounts paid during each period. Remaining capital management program refers to the balance remaining on our on-market share buy-back program as at the time of release of this presentation.

OUR SHAREHOLDER RETURNS

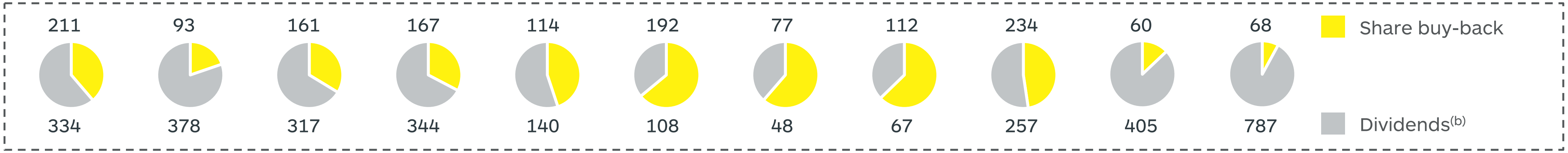
Our flexible capital management program has been active since FY17

US$0.5B returned in special dividends[a] and US$1.5B via our on-market share buy-back, reducing shares on issue by 13%

Program expanded by a further US$156M to US$2.3B, leaving US$250M to be returned

Cumulative EPS[30] (LHS) and South32 share price (RHS)
(US cents per share from 31 December 2016, LHS; A$/share, RHS)

Returns to shareholders (US$M)



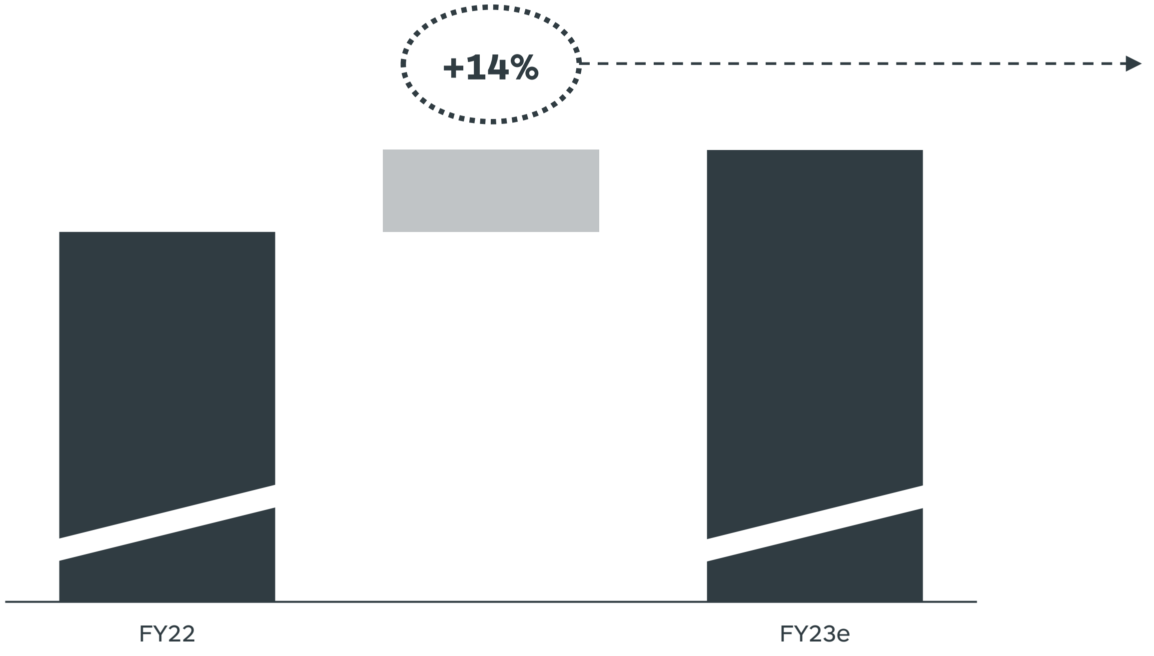
Notes:
a. Including fully franked special dividend of US$139M resolved to be paid in respect of H2 FY22.
b. Ordinary and special dividends resolved to be paid in respect of the period.

OUTLOOK

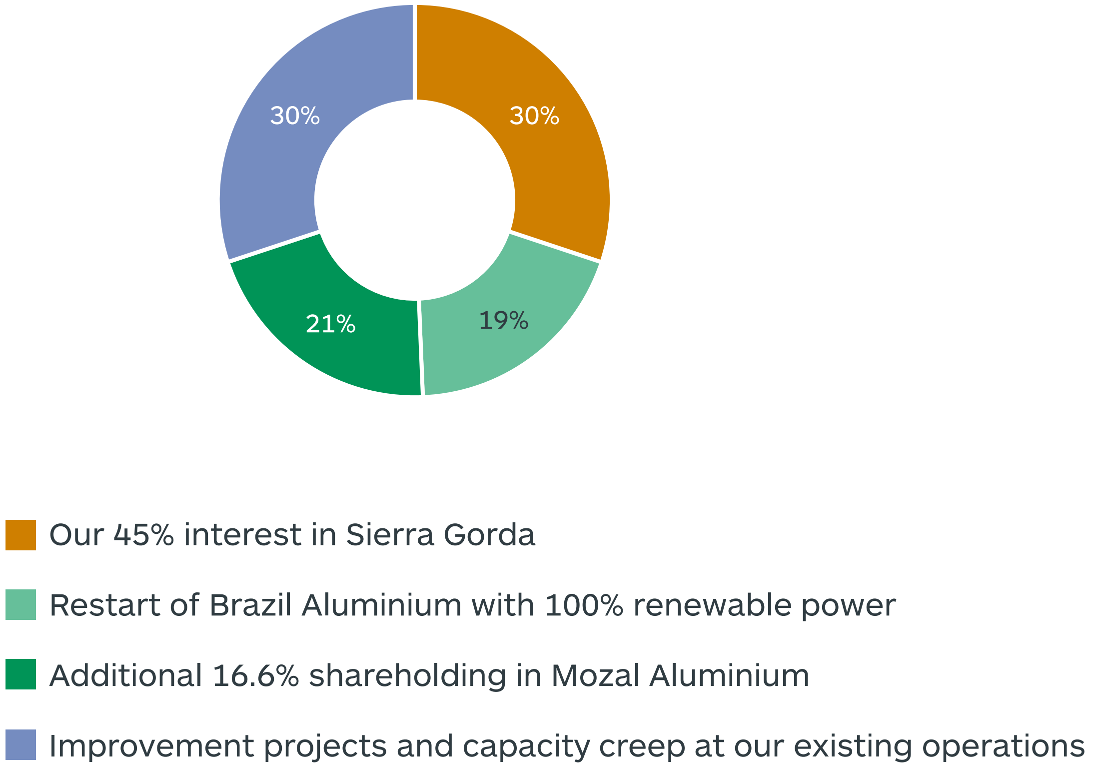
OUR GROWING PRODUCTION PROFILE

We expect our recent investments and the execution of improvement projects to lift Group copper equivalent production by 14% from our FY22 baseline[6]

Illustrative Group production profile[6]
Copper equivalent (CuEq) production (kt)

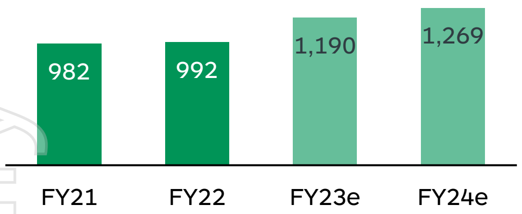


Growth profile by source
(%)



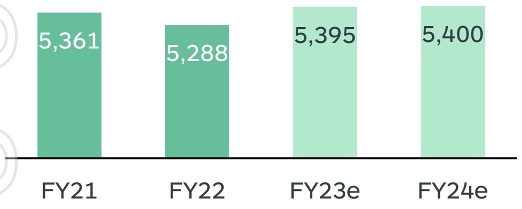
PRODUCTION GUIDANCE

Aluminium (kt)



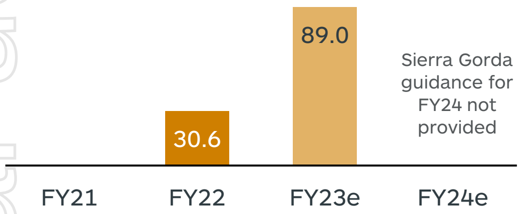
20% growth in FY23 with higher share of Mozal Aluminium and restart of Brazil Aluminium smelter

Alumina (kt)



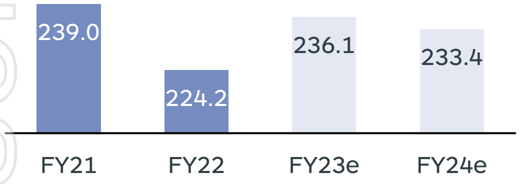
Both refineries expected to sustain production above nameplate capacity in FY23

Copper equivalent[31] (kt)



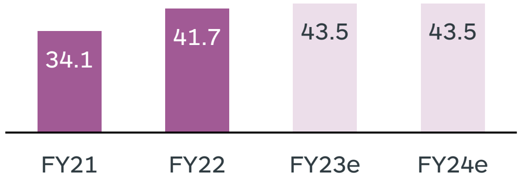
Sierra Gorda expected to achieve higher throughput, benefitting from the de-bottlenecking project

Zinc equivalent[32] (kt)



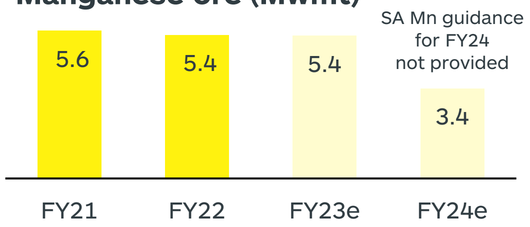
Cannington expected to benefit from the optimised mine configuration accelerating access to higher-grade material

Nickel (kt)



Cerro Matoso's plant availability expected to return to normalised levels, while the OSMOC project mitigates natural grade decline

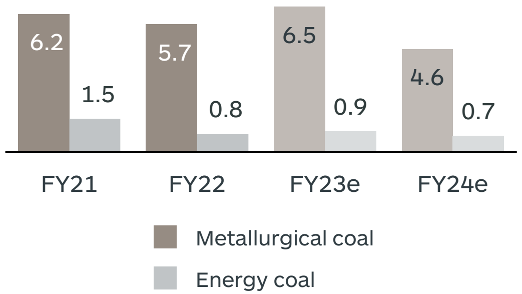
Manganese ore (Mwmt)



Australia Manganese expected to increase primary production while the PC02 circuit operates above nameplate capacity

South Africa Manganese (SA Mn) will continue to optimise volumes and its use of higher cost trucking

Metallurgical and energy coal (Mt)



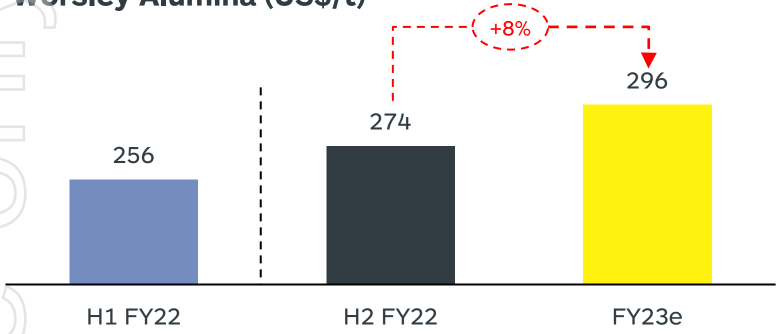
Production expected to recover in FY23 with fewer longwall moves and a recovery from wet weather, subject to maintaining labour productivity as we negotiate Enterprise Agreements at Appin

Expected to decline to 5.3Mt in FY24 as Dendrobium moves into a new mining area

OPERATING UNIT COSTS PERFORMANCE AND GUIDANCE

SOUTH32

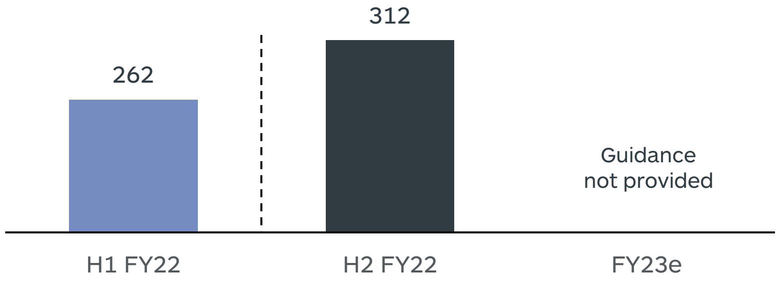
Worsley Alumina (US$/t)[33]



FY23 guidance +8% from H2 FY22

Significantly higher caustic soda prices and an increase in planned consumption, combined with increased freight costs, partially offset by a weaker Australian dollar

Brazil Alumina (non-operated) (US$/t)

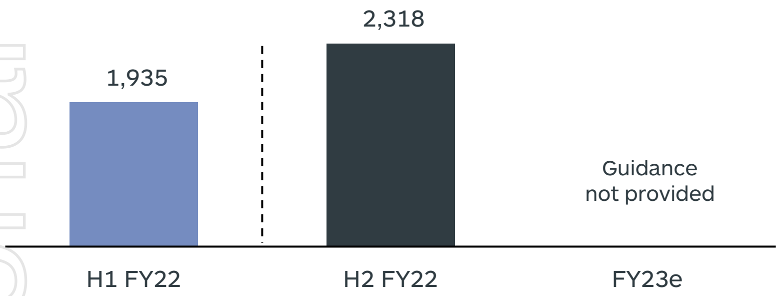


Guidance not provided

Lower volumes and costs to recover from the unloader outage, added to higher raw material and energy costs in FY22

FY23 costs will continue to be influenced by energy prices and raw material inputs, including caustic soda

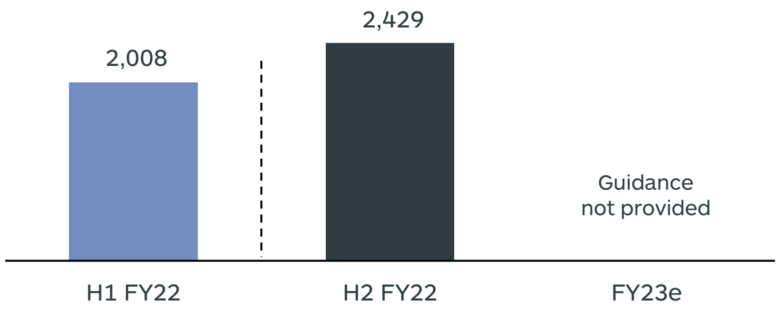
Hillside Aluminium (US$/t)



Guidance not provided

Will continue to be influenced by the price of raw material inputs, the South African rand and inflation-linked energy costs

Mozal Aluminium (US$/t)

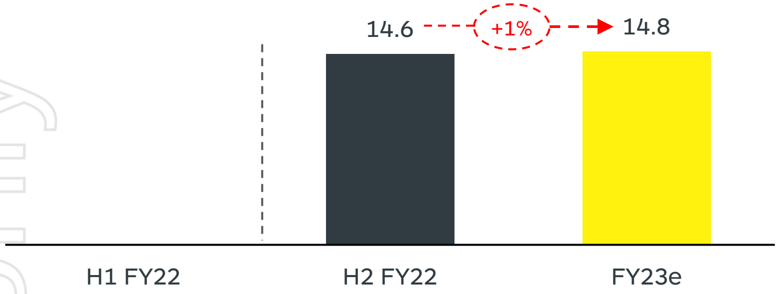


Guidance not provided

Will continue to be influenced by the price of raw materials inputs, the South African rand and inflation-linked energy costs

OPERATING UNIT COSTS PERFORMANCE AND GUIDANCE

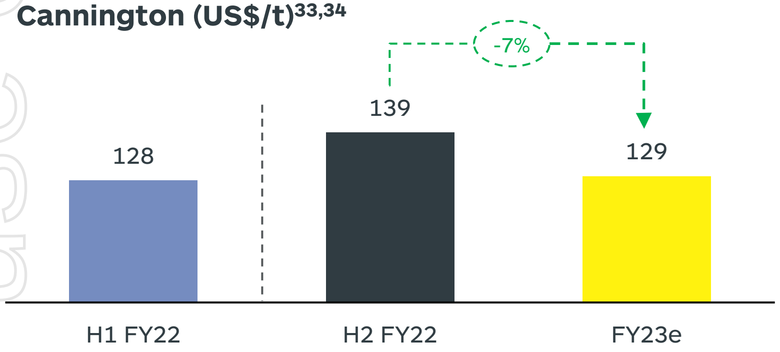
Sierra Gorda (non-operated) (US$/t)[33,34]



FY23 guidance +1% from H2 FY22

Efficiencies from the plant de-bottlenecking project, more than offset by higher diesel prices and labour costs

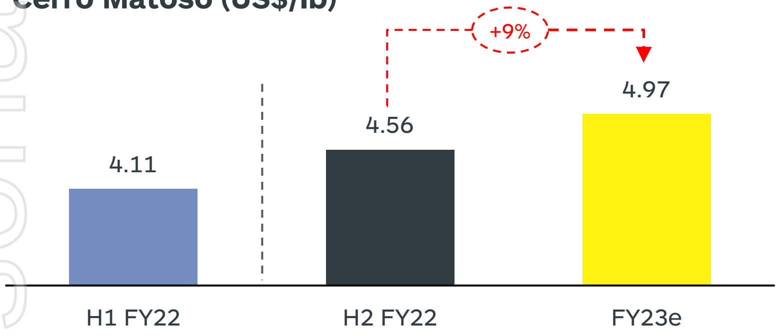
Cannington (US$/t)[33,34]



FY23 guidance -7% from H2 FY22

Higher throughput from the optimised mine plan and weaker Australian dollar, more than offset higher energy prices

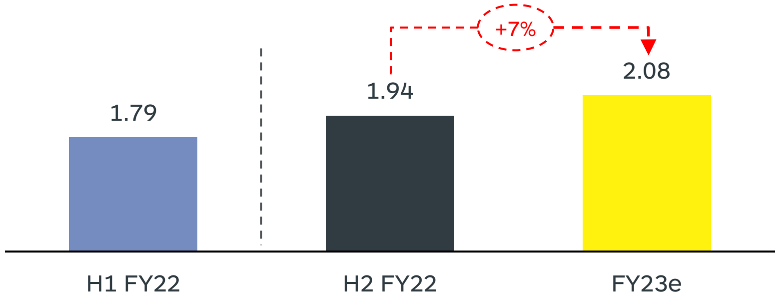
Cerro Matoso (US$/lb)[33]



FY23 guidance +9% from H2 FY22

Higher price-linked royalties and energy prices, and impact of prior year's one-off royalty provision adjustment, more than offset the benefit of additional volumes

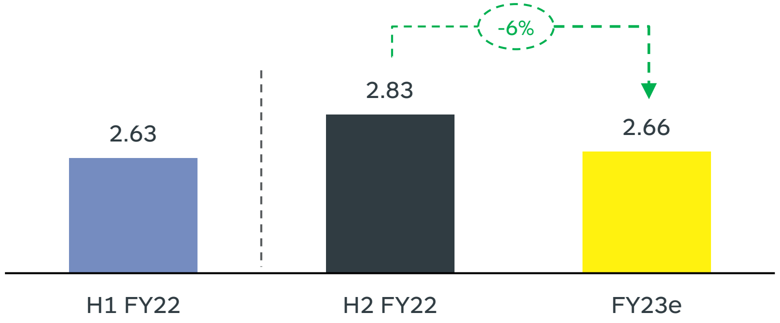
Australia Manganese ore (US$/dmtu)[33,35]



FY23 guidance +7% from H2 FY22

Higher labour and contractor costs and increased activity associated with a higher strip ratio, combined with higher diesel prices, partially offset by a weaker Australian dollar

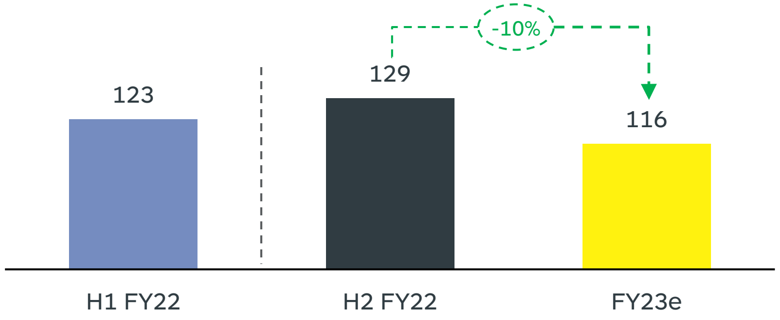
South Africa Manganese ore (US$/dmtu)[33,35]



FY23 guidance -6% from H2 FY22

Drawing down previously built low-cost inventory from the barrier pillar project and a weaker South African rand

Illawarra Metallurgical Coal (US$/t)[33]



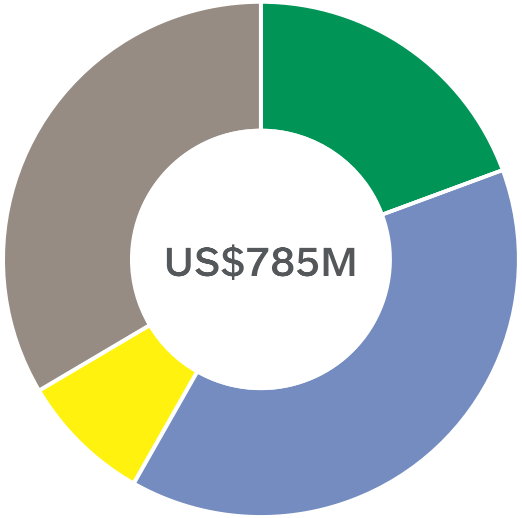
FY23 guidance -10% from H2 FY22

Higher volumes and a weaker Australian dollar to more than offset labour and energy cost inflation

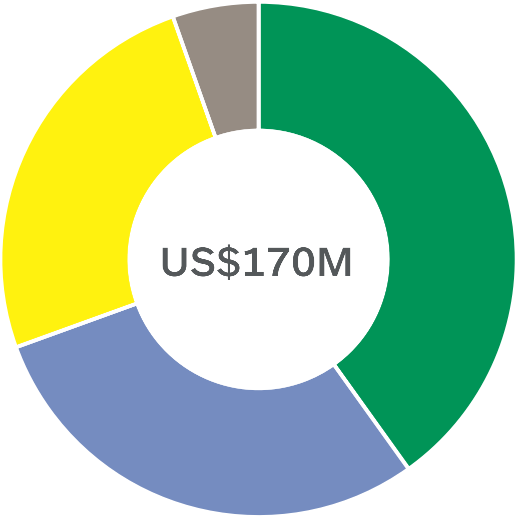
CAPITAL EXPENDITURE GUIDANCE (INCLUDING EAI)

We are increasing our investment to support productivity, portfolio changes and future growth in attractive end markets

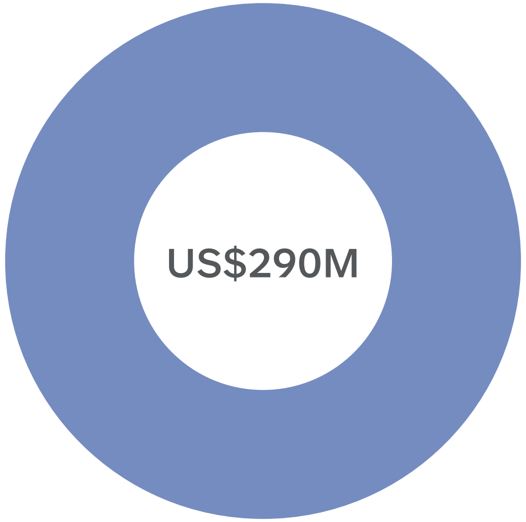
FY23e Safe and reliable[a]
(US$M)



FY23e Improvement and life extension[a]
(US$M)



FY23e Growth
(US$M)



Aluminium value chain   Base metals   Manganese ore   Metallurgical coal

Includes a full year of Sierra Gorda and increased investment at Illawarra Metallurgical Coal to support the transition to a single longwall at Appin from FY25

Comprises:
- Productivity and improvement (US$90M)
- Life extension (US$50M)
- Decarbonisation (US$30M)

Investment at Hermosa for critical path dewatering, Taylor feasibility and Clark study costs

Notes:
a. Inclusive of our manganese and Sierra Gorda EAIs.

CAPITAL PROJECTS PIPELINE

SOUTH32

We have a pipeline of projects phased from pre-feasibility through to execution

Operation	Project		FY23	FY24	FY25	Commentary
Safe and reliable capital						
Illawarra Metallurgical Coal	Transition to Appin single longwall		Execution	Execution	Execution	Appin single longwall to deliver efficiencies from FY25
Improvement and life extension capital						
Worsley Alumina	New mining areas	Life extension		Execution	Execution	Subject to regulatory approval
Worsley Alumina	Mud-washing	Productivity and improvement / Decarbonisation	FS			FS expected in FY23
Worsley Alumina	Coal to gas conversion	Decarbonisation	FS			FS for first boiler conversion expected in FY23
Brazil Alumina	De-bottlenecking Phase 2	Productivity and improvement	Execution	Execution	Execution	~4% expected increase in plant capacity from H1 FY26
Brazil Alumina	MRN life extension	Life extension	PFS			PFS expected in late CY22
Hillside Aluminium	AP3XLE	Productivity and improvement / Decarbonisation	Execution	Execution	Execution	Implemented with pot relining over FY23-FY28
Sierra Gorda	De-bottlenecking	Productivity and improvement	Execution			~6% expected increase in plant capacity from Q2 FY23
Sierra Gorda	Fourth line expansion	Productivity and improvement	FS			FS expected in mid CY23
Cerro Matoso	OSMOC project	Productivity and improvement / Life extension	Execution			In execution, may trigger mine contract extension[36]
Australia Manganese	Eastern Leases	Life extension	FS			FS expected in Q2 FY23
South Africa Manganese	Rail infrastructure	Productivity and improvement	FS			FS expected in FY23
Growth capital						
Hermosa	Taylor Deposit		FS			FS expected in mid CY23
Hermosa	Clark Deposit		PFS			PFS selection study expected in late CY22
Ambler Metals	Arctic Deposit		PFS			Arctic PFS underway by the Joint Venture

PFS FS Execution Productivity and improvement Life extension Decarbonisation

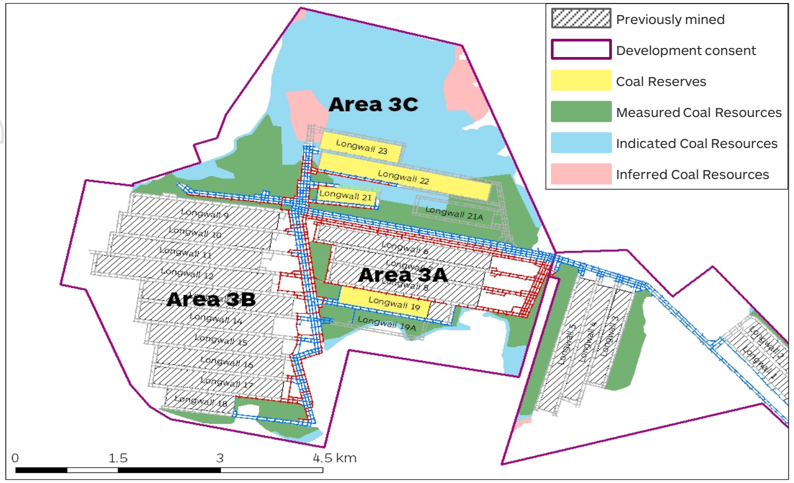
Notes:

a. Project milestones are conditional on regulatory and internal investment approvals, and are subject to change. FS means feasibility study. PFS means pre-feasibility study.

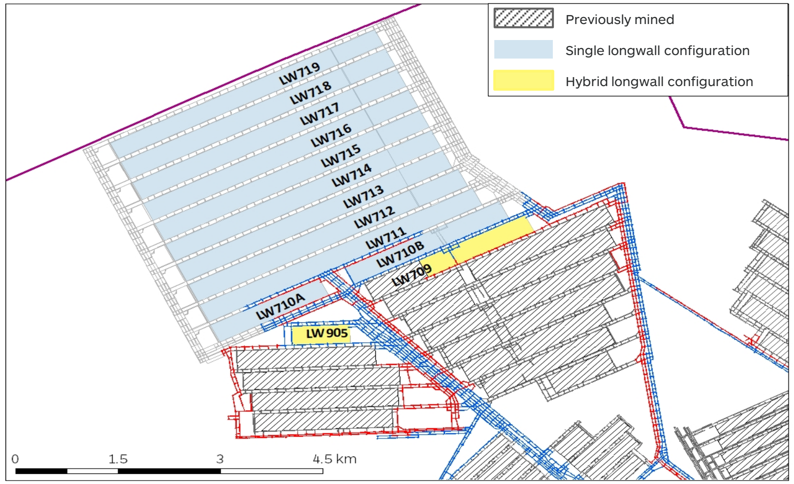
ILLAWARRA METALLURGICAL COAL

SOUTH32

Dendrobium proposed mine plan



Appin proposed mine plan



Illawarra Metallurgical Coal complex

- FY23 saleable production expected to be 7.4Mt with Operating unit costs of US$116/t
- Between FY24 and FY28[(a)(b)] we expect the current configuration to deliver on average:
  - Annual saleable production of ~5.5Mt
  - Operating unit costs of between US$105/t to US$120/t, with further improvements targeted to bring sustainably to the bottom of the range
- FY23 Safe and reliable capital expenditure is expected to be US$263M, with our annual spend to remain elevated until Appin's transition to a single longwall in FY25

Dendrobium mine

- Elected to not proceed with the DND project, with expected returns from the ~US$700M up-front capital estimate insufficient to support an investment, relative to alternatives for the complex
- Focussed on continuing to optimise Dendrobium within approved domains (Areas 3A, 3B and 3C)
- Saleable production is expected to step down from 3.6Mt in FY23 to an average of ~1.5Mtpa between FY24 and FY28, reflecting expectations for increased gas drainage in Area 3C

Appin mine

- Transition to a single longwall at Appin from FY25 is expected to bring further operating and capital efficiencies
- Includes planned work to invest ~US$260M[(c)] to install additional ventilation capacity that will enable mining to continue in Area 7 until at least 2039[(b)(d)]

Notes:

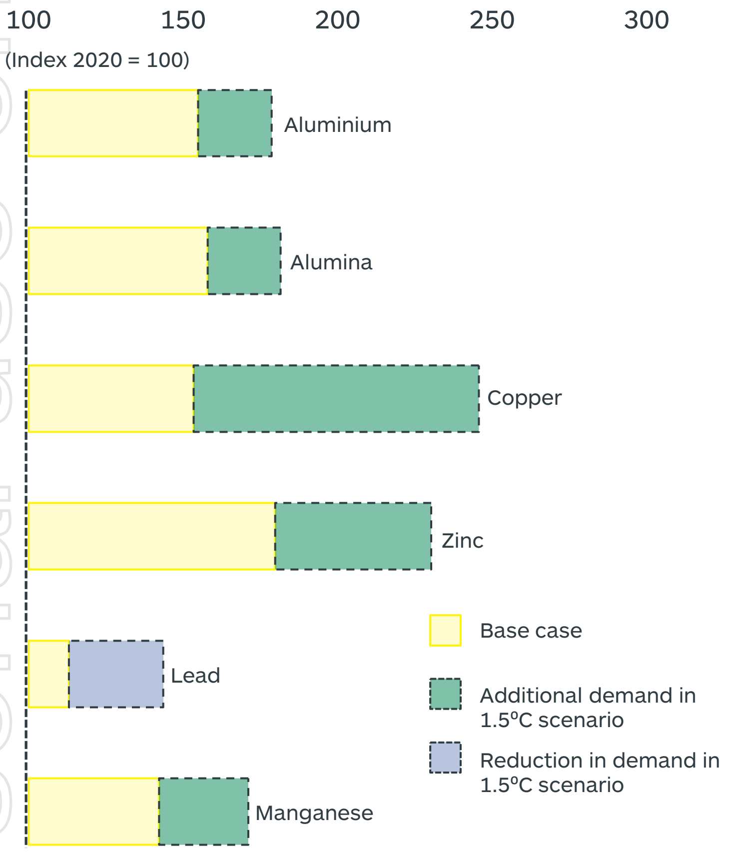
a. Based on average between FY24 and FY28, on a real basis with a AUD:USD exchange rate of 0.69, with outcomes to vary depending on the timing of longwall moves. Production Target for Illawarra Metallurgical Coal (FY24 to FY28) is based on 23% Proved and 52% Probable Coal Reserves and 20% Measured and 5% Indicated Coal Resources from Wongawilli, and 11% Proved and 89% Probable Coal Reserves from Bulli.
b. Refer to important notices (slide 2) for additional disclosure.
c. Subject to Board approval, based on an AUD:USD exchange rate of 0.69. Expenditure has been incorporated in Safe and reliable capital guidance for FY23 (~US$60M) and FY24 (~US$80M).
d. Production Target and forecast financial information for the Appin mine at Illawarra Metallurgical Coal is based on Proved (11%) and Probable (89%) Coal Reserves from Bulli.

OUR COMMODITY DEMAND IN A LOW-CARBON WORLD

SOUTH32

Demand across our commodities will be well supported by a rapid transition to a low-carbon future

2050e average commodity demand in 1.5°C scenario versus base case[37]



1.5°C scenario anchored on rising electric vehicle (EV) penetration (from 4% to 100%) and proliferation of renewables generation (6x to 20TW) from 2020 to 2050e

Aluminium benefits from higher intensity of use in EVs, substitution of plastics in packaging and increasing use in renewables
- Aluminium intensity in EVs is ~40% higher than internal combustion engine (ICE) vehicles (from 111kg/car in 2020 to 256kg/car in 2050e) due to light-weighting

Copper is a key metal used in EVs, charging infrastructure and renewable energy
- Copper intensity in EVs is ~3x that of ICE vehicles (23kg/car)
- Copper intensity for offshore wind generation is ~12x that of coal and gas installations

Zinc protects metals against corrosion
- Wind and solar energy could increase >10x by 2050e in 1.5°C scenario, equivalent to adding 3x the capacity of the USA each year
- Zinc intensity in offshore wind and solar installations is ~300x and 200x higher, respectively, than in autos (10kg/car)
- Zinc demand could double to 24Mt by 2040, akin to adding three Taylor sized projects[(a)] each year in an environment when supply is declining

Lead impacted by reduced demand for lead batteries in motor cars as ICE fleet is phased out by 2050e, partly offset by higher demand for use in energy storage systems

Manganese benefits from higher use in infrastructure to improve steel quality and also has the potential to displace cobalt in lithium-ion batteries with ~7x higher intensity in manganese-rich[(b)] cathode chemistries than nickel-based chemistries

Notes:
a. Based on Taylor Deposit pre-feasibility study with 130kt per annum steady state payable zinc production. Refer to important notices (slide 2) for additional disclosure.
b. Manganese-rich chemistry is represented by NMX 370 with seven parts of manganese, compared to nickel-rich chemistry represented by NMC 811 with one part in manganese.

ALUMINIUM MARKET

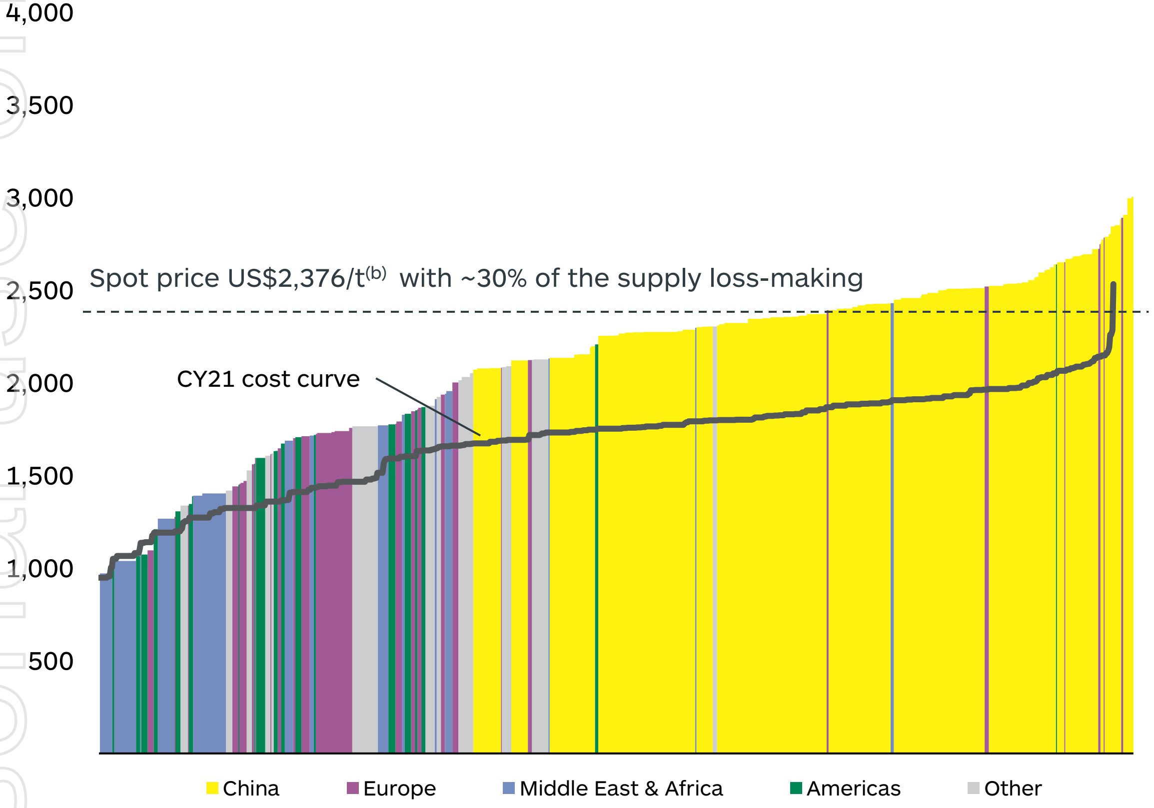
SOUTH32

Rising energy and raw material costs have lifted and steepened the cost curve

Low inventories and higher energy prices expected to provide near-term price support

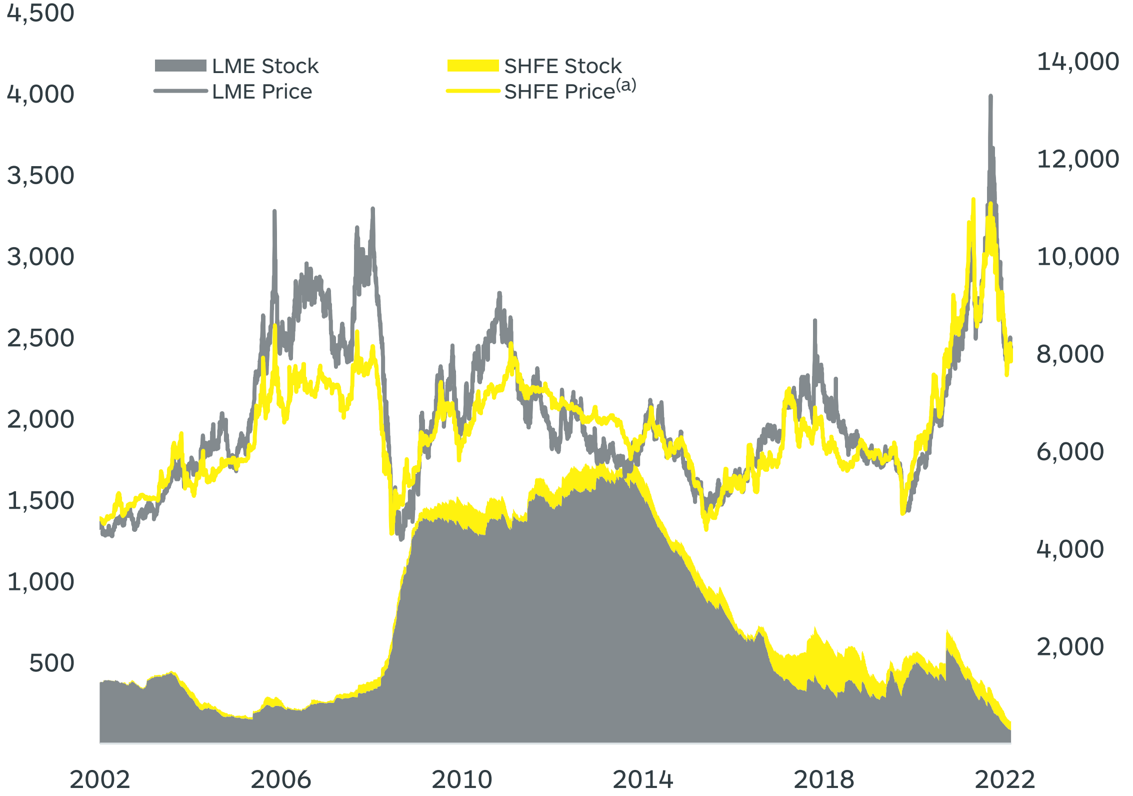
Rising demand underpinned by energy transition and cap to Chinese capacity is expected to provide further tailwinds, particularly in a 1.5°C scenario

Aluminium cost curve (CY21 and CY22)[a]
(US$/t)



Source: CRU
Notes:
a. Illustrates business costs which represent cash costs net of premiums (normalised to LME index price).
b. Spot price as of 19 August 2022.

Aluminium price and stocks
(US$/t, LHS; kt, RHS)

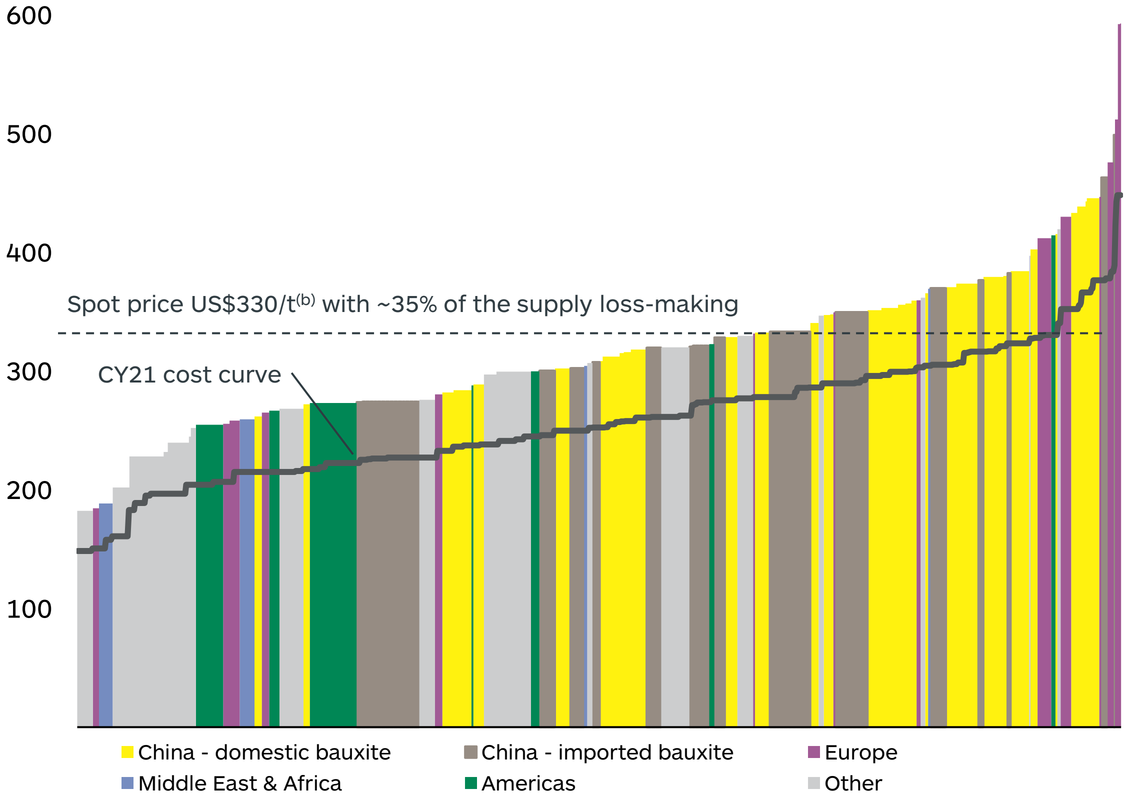


Source: LME, SHFE (Shanghai Futures Exchange)
Notes:
a. SHFE prices refer to SHFE excluding VAT of 13% (from 1 April 2019), 16% (from May 2018) and 17% prior to that.

ALUMINA MARKET

Significant increases to caustic soda and energy prices are challenging margins at less efficient refineries with ~35% of global supply currently loss-making

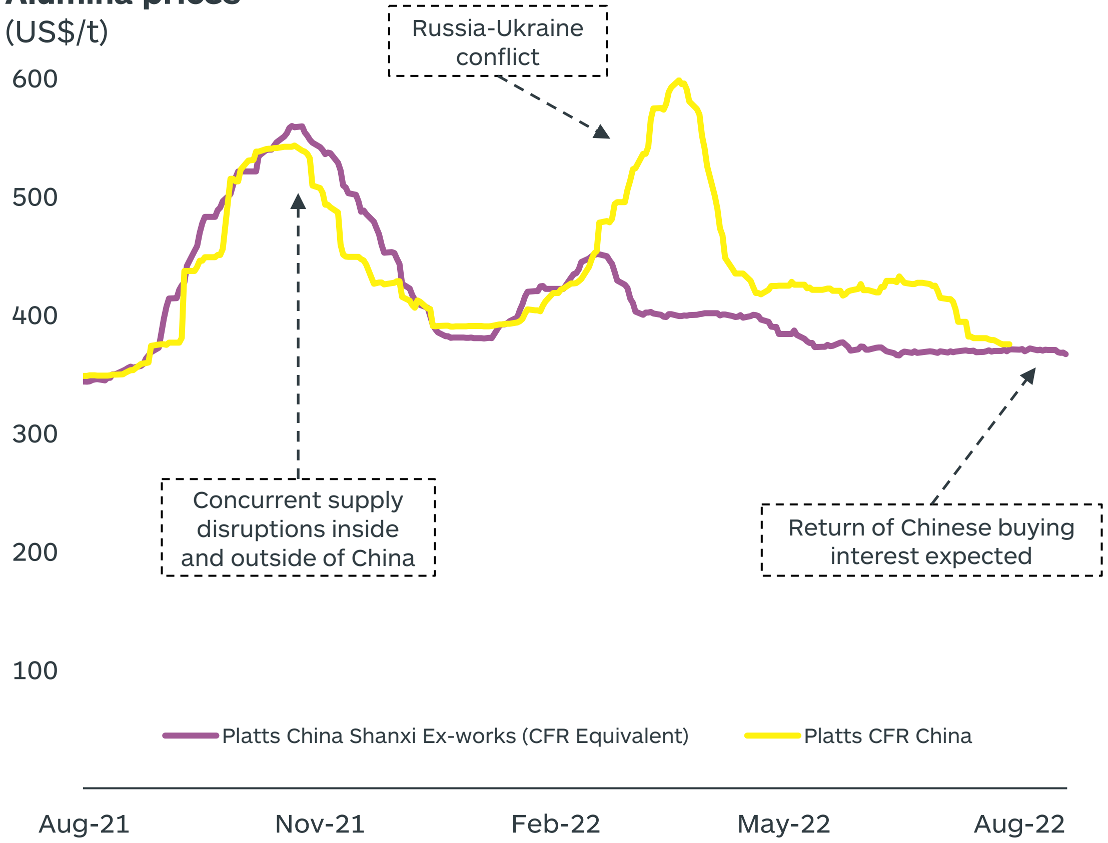
Alumina cost curve (CY21 and CY22)[a]
(US$/t)



Source: CRU
Notes:
a. Illustrates business costs which represent cash costs net of premiums (normalised to FOB Australia price).
b. Spot price as of 19 August 2022.

Increased Chinese demand expected to more than offset capacity additions and ex-China smelter curtailments in the near term

Alumina prices
(US$/t)



Source: Platts, South32 Analysis

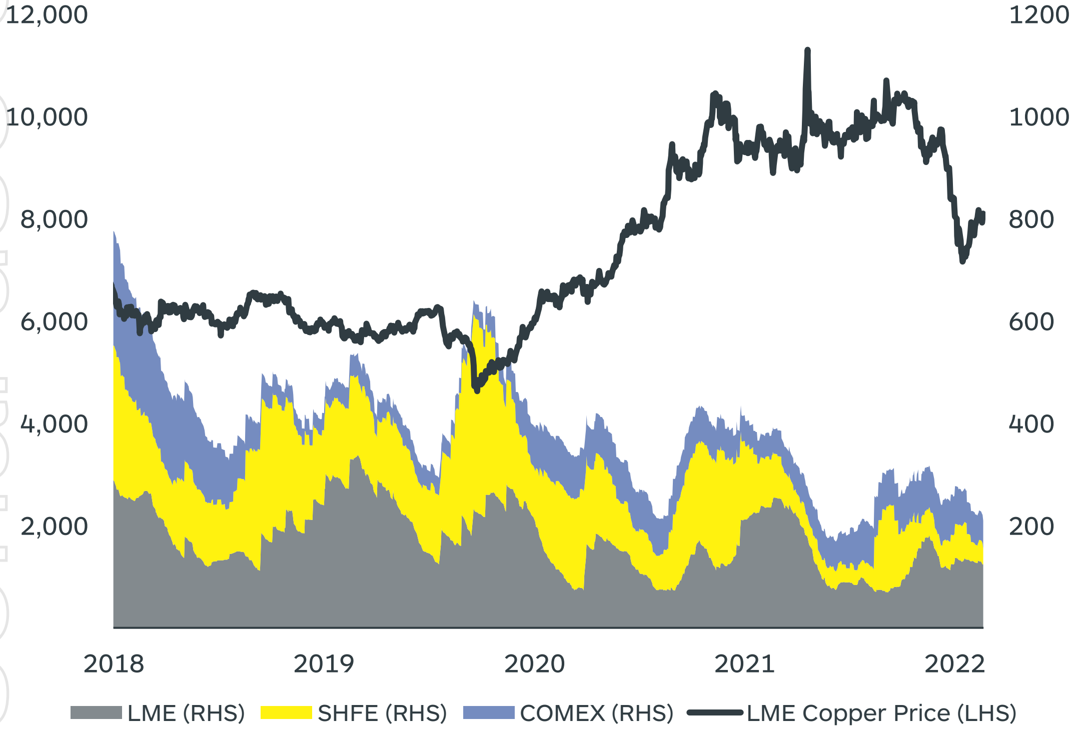
COPPER MARKET

While new supply is coming online and near-term surpluses are expected, low visible inventories are providing price support

Long term demand outlook supported by renewable energy additions and rising electric vehicle penetration

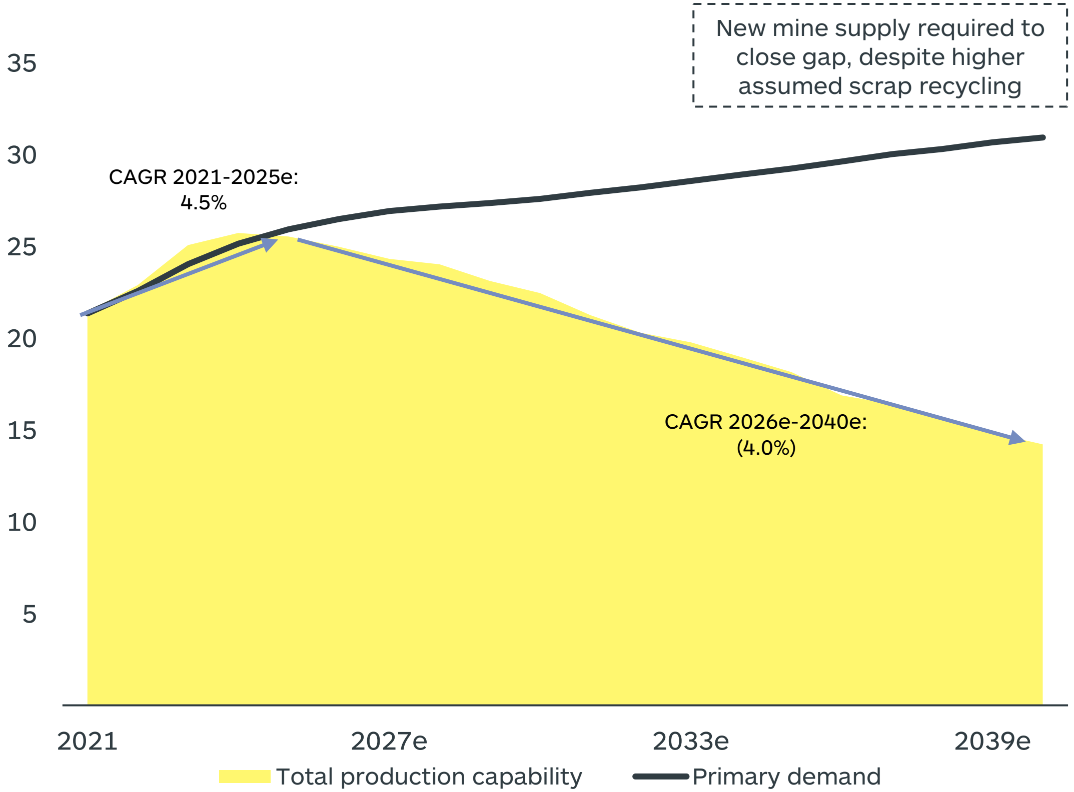
2040e supply and demand gap equivalent to ~1Mt of new supply each year

Copper prices and warehouse inventories
(US$/t, LHS; kt, RHS)



Source: Datastream, LME, SHFE, COMEX, South32 analysis

Regional mine production capability versus primary demand
(Mt Cu)



Source: Wood Mac LTO Q2 2022, South32 analysis

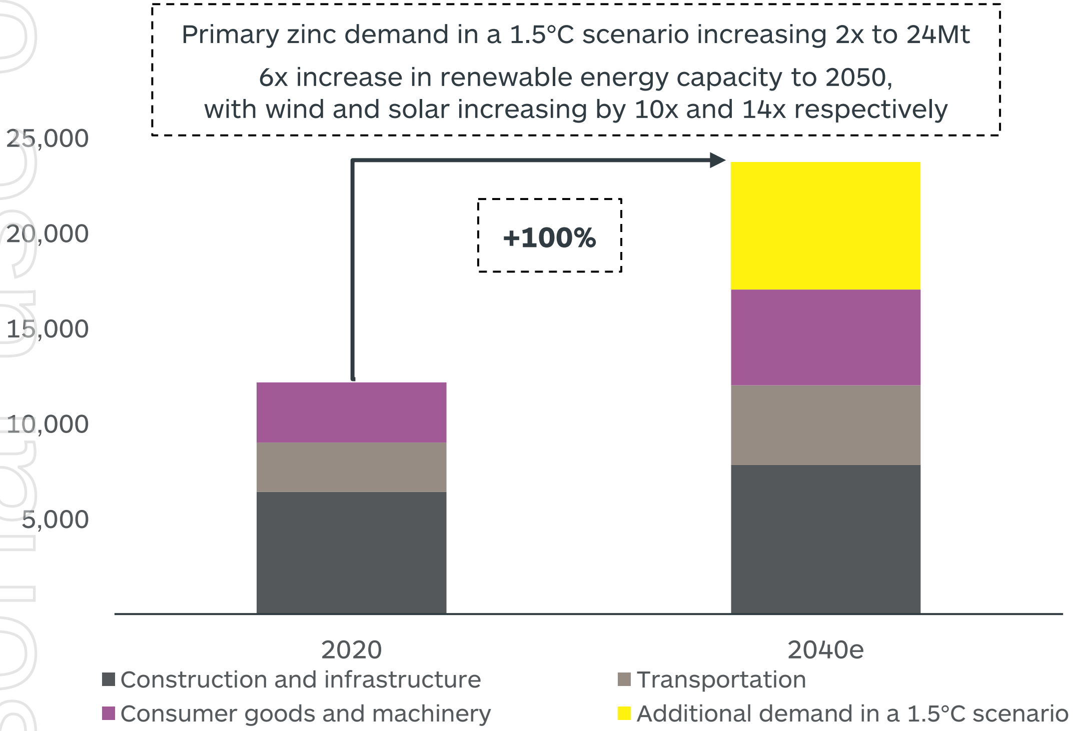
ZINC MARKET

Rapid renewables deployment and the requirement to protect wind and solar infrastructure could see zinc demand double over the next two decades

We expect China's supply to have peaked with environmental regulations and falling grades limiting future potential mines

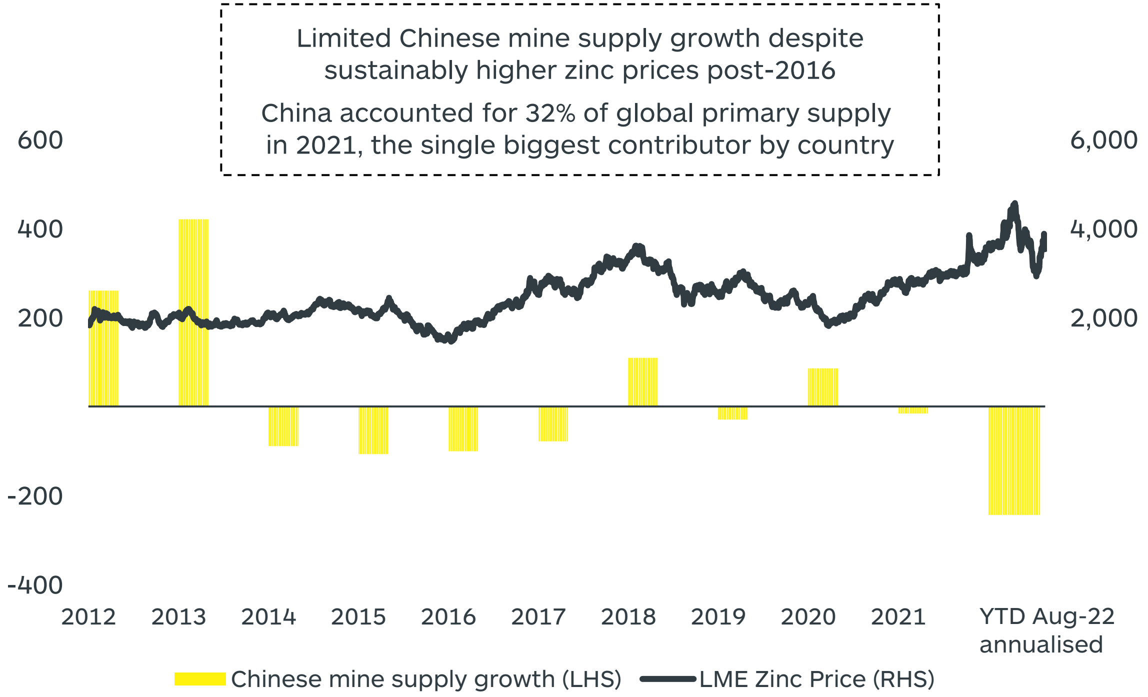
2030e supply and demand gap equivalent to more than three new Hermosa Taylor[(a)] sized projects required each year

Zinc primary demand
(kt Zn)



Source: South32 analysis

Chinese mine supply growth and zinc price
(kt Zn, LHS; US$/t, RHS)



Source: South32 analysis, LME

Notes:
a. Based on Taylor Deposit pre-feasibility study with 130kt per annum steady state payable zinc production. Refer to important notices (slide 2) for additional disclosure.

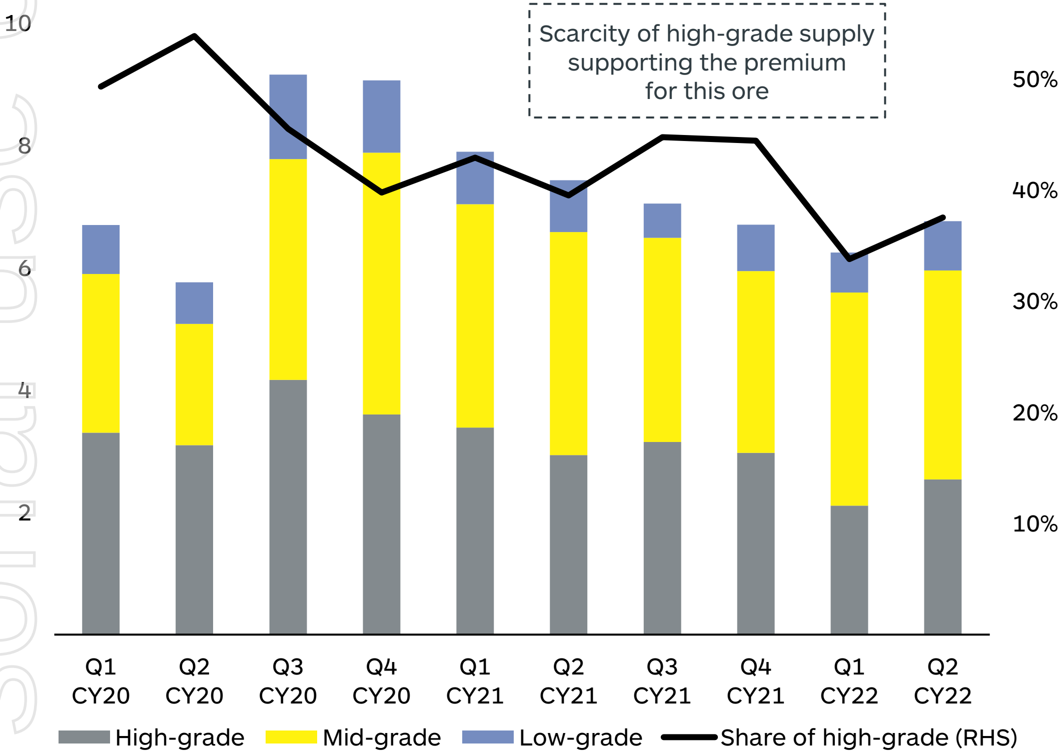
MANGANESE MARKET

Current preference for high-grade ores and a widening premium being driven by higher Chinese energy prices

Rising electric vehicle penetration and adoption of manganese-rich chemistries expected to add to overall demand

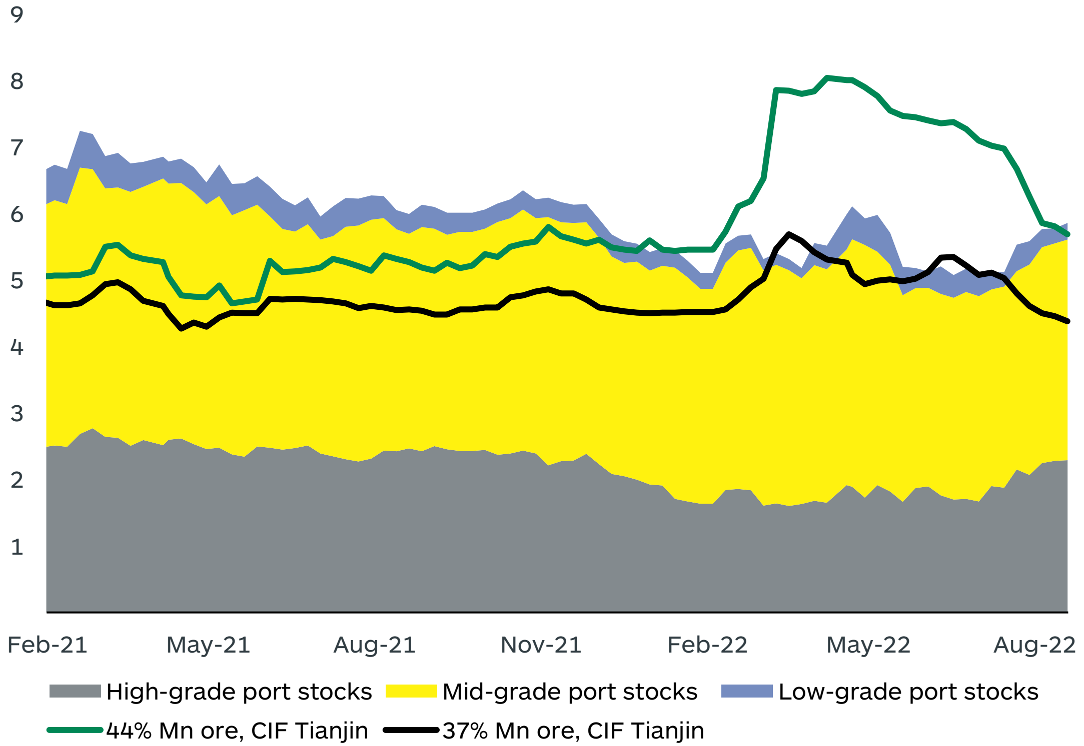
Long term price expected to be set by marginal South African supply transitioning underground over time

China manganese ore imports by grade (40% Mn normalised)
(Mt, LHS; share by grade %, RHS)



Source: GTA customs

Manganese ore price and China port stocks by grade
(US$/dmtu; Mt)



Source: Fastmarkets, Ferroalloy.net

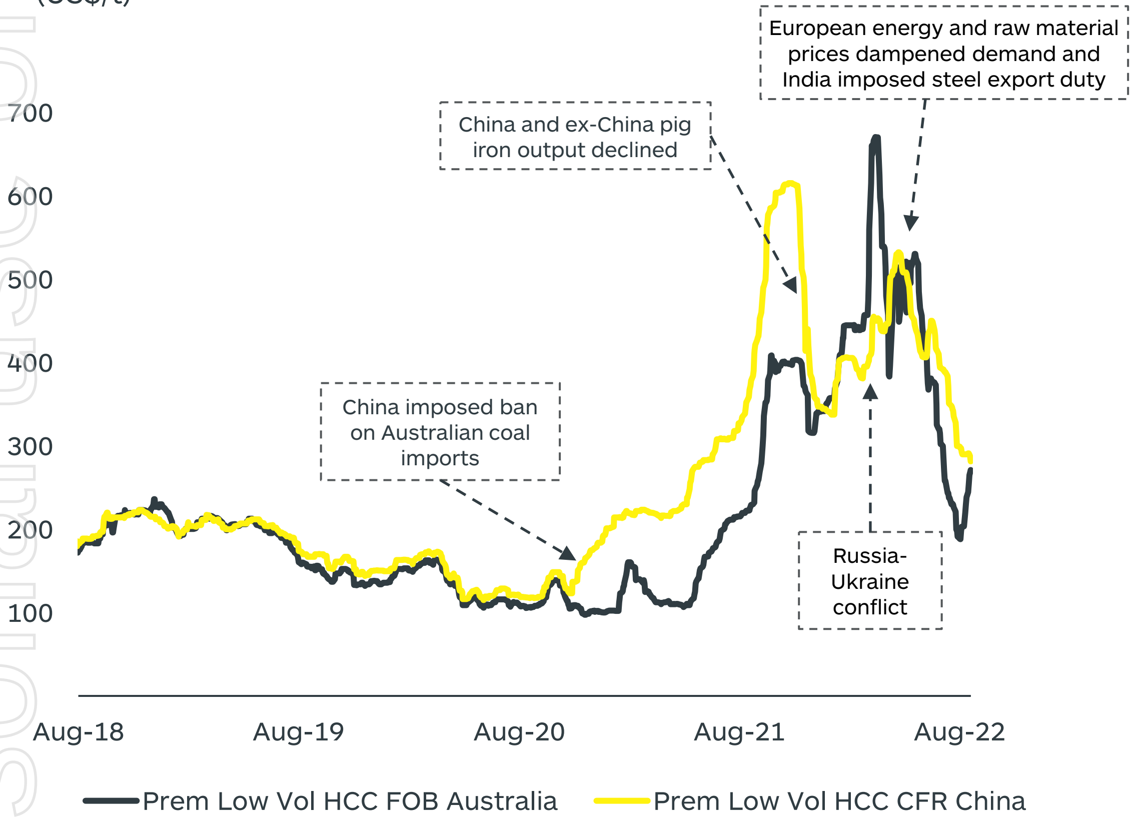
METALLURGICAL COAL MARKET

Recent price decline driven by weak pig iron output (particularly in Europe) combined with easing supply constraints

Improvement in Indian spot demand and Chinese steel sector recovery will be key for near-term price support

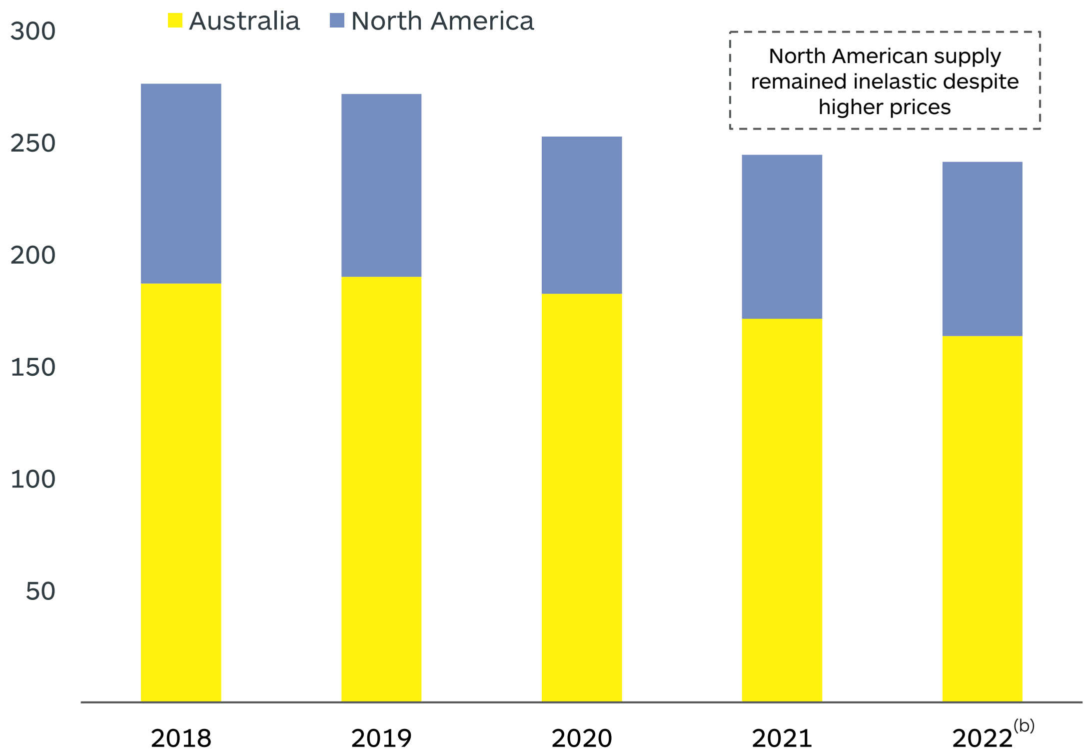
Ability of supply to meet rising Asian demand in the long term is constrained by challenges with infrastructure, financing and approvals

Metallurgical coal price and arbitrage
(US$/t)



Source: Platts, World Steel Association, South32 Analysis

Australia and North American metallurgical coal exports[a]
(Mt)



Source: IHS Markit (S&P Global) Commodities at Sea, South32 analysis

Notes:
a. Metallurgical coal trade flow includes HCC, semi-soft coking coal and PCI.
b. YTD July 2022 annualised.

STRATEGY AND PORTFOLIO

OUR STRATEGY

SOUTH32

OPTIMISE

our business by working safely, minimising our impact, consistently delivering stable and predictable performance and continually improving our competitiveness.

UNLOCK

the full value of our business through our people, innovation, projects and technology.

IDENTIFY

and pursue opportunities to sustainably reshape our business for the future, and create enduring social, environmental and economic value.

Our simple strategy is underpinned by a disciplined approach to capital management

OUR PORTFOLIO

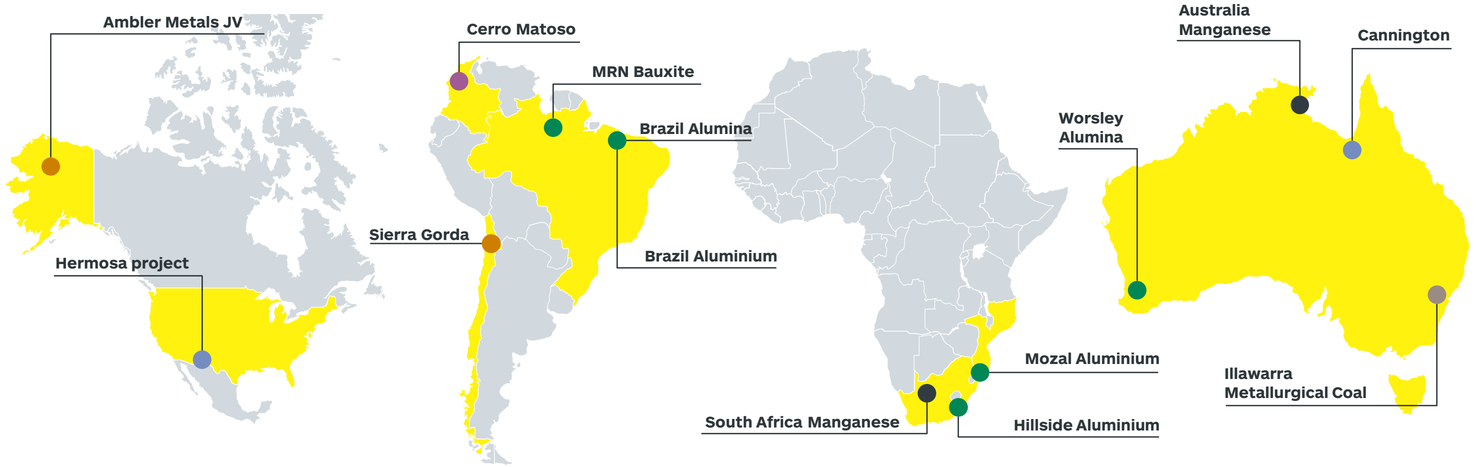
SOUTH32

We have an attractive commodity mix and a growth pipeline in metals critical to a low-carbon future

We expect 14% volume growth in FY23

Our next phase of growth is expected to come from our world class base metals development options in North America

We are investing to discover our next generation of mines with over 25 exploration programs



- Aluminium value chain
- Copper
- Nickel
- Zinc-lead-silver
- Manganese ore
- Metallurgical coal

Advancing greenfield exploration partnerships and prospects in:

United States · Canada · Argentina · Peru · Australia · Ireland

Project pipeline

Brownfield options in study phase

- Worsley Alumina decarbonisation and life extension
- MRN bauxite mine life extension
- Hillside low-carbon electricity
- Sierra Gorda fourth line expansion
- Sierra Gorda brownfield oxide project
- Australia Manganese Eastern & Southern Areas
- South Africa Manganese expansion & logistics

Greenfield growth options in study phase

- Hermosa Taylor and Clark Deposits
- Ambler Metals Arctic Deposit

DELIVERING ON OUR STRATEGY

SOUTH32

Optimise our business

Continued our strong operating performance in FY22:

- Group copper equivalent production[6] 99% of revised guidance
- Worsley Alumina continued to operate above nameplate capacity, achieving record production
- Hillside and Mozal Aluminium continued to test their maximum technical capacity, despite higher load-shedding
- Cannington transitioned to 100% truck haulage, while beating previously increased production guidance
- Established innovative logistics solutions across multiple operations to respond to ongoing freight markets challenges
- Achieved strong price realisations in our manganese business, as we optimised our sales mix in South Africa and delivered GEMCO's low cost PC02 material into favourable markets
- Continued to optimise the Illawarra Metallurgical Coal complex, reaching the decision to not proceed with the DND project

Unlock the full value of our business

Unlocked further opportunities:

- Progressed Group decarbonisation studies to deliver our emissions reduction targets
- Submitted an Environmental Review Document to develop new mining areas at Worsley Alumina
- Sanctioned the De-bottlenecking Phase Two project at Brazil Alumina
- Continued installing AP3XLE energy efficiency technology at Mozal Aluminium and commenced its rollout at Hillside Aluminium
- Developed the higher-grade Q&P satellite deposit and achieved mechanical completion of the OSMOC improvement project at Cerro Matoso, which may satisfy our option to extend the mining contract by 15 years[36]
- Progressed the Eastern Leases feasibility study and our Southern Areas exploration program at Australia Manganese
- Completed the sale of four non-core base metals royalties to Anglo Pacific Group Plc for a consideration of up to US$200M[38]

Identify and pursue opportunities to create value

Significant progress reshaping our portfolio with metals critical for a low-carbon future:

- Added copper exposure with the acquisition of a 45% interest in Sierra Gorda
- Increased our low-carbon aluminium[39] production capacity by >100%, acquiring an additional share of Mozal Aluminium and participating in the restart of Brazil Aluminium
- Acquired an additional interest in the MRN bauxite mine, further aligning bauxite supply requirements within our Brazilian aluminium value chain[40]
- Completed a pre-feasibility study for the zinc-lead-silver Taylor Deposit, and advanced study work on the battery-grade manganese Clark Deposit, at our Hermosa project
- Continued our investment in more than 25 exploration partnerships and projects targeting base metals
- Subsequent to the end of the year, acquired a 9.9% interest in Aldebaran Resources Inc, owner of the Altar copper project in Argentina

OUR FUTURE GROWTH THROUGH DEVELOPMENT & DISCOVERY

SOUTH32

We are increasing our exploration commitment to discover our next generation of base metals mines in targeted regions

Exploration projects, partnerships or options

- Copper
- Nickel
- Polymetallic
- Zinc

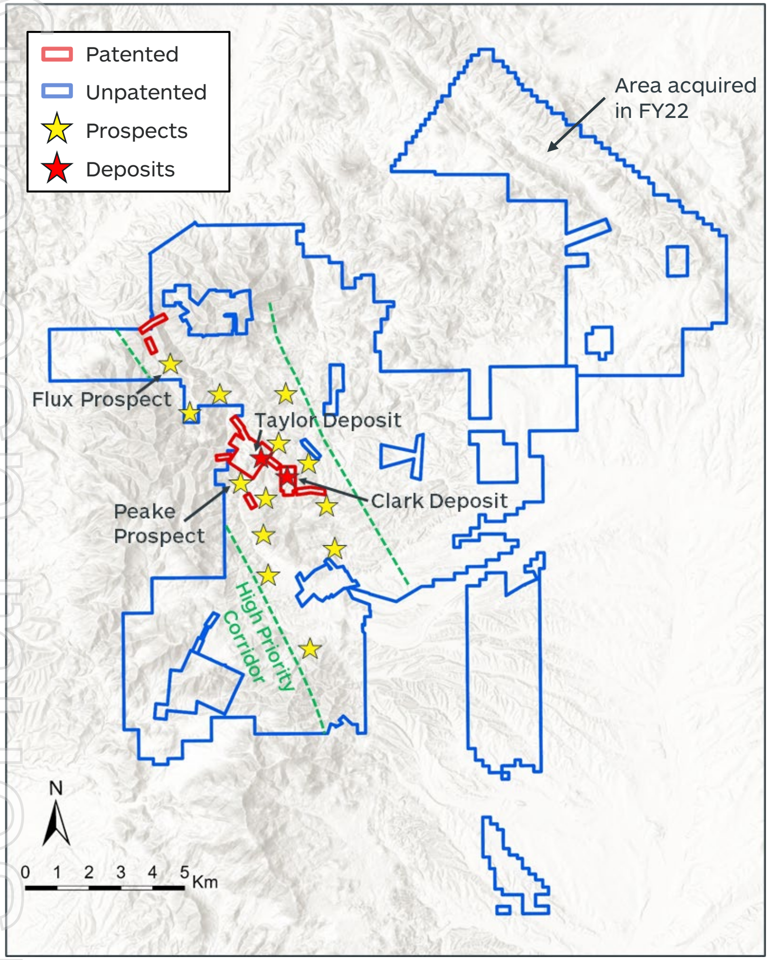
Exploration spend (US$M)	FY22	FY23e
Greenfield exploration	26	44
Capitalised exploration (excl. EAI)	33	55
incl. Hermosa	*19*	*28*
incl. Ambler Metals	*11*	*17*

HERMOSA PROJECT

SOUTH32

Potential to be a globally significant producer of metals critical to a low-carbon future

Hermosa land package



Taylor Deposit

Zinc-lead-silver development option

- PFS demonstrated potential for a sustainable, low cost operation with 20+ year initial resource life[a] in the first quartile of the industry's cost curve
- Estimated US$1.7B capital to build a conventional 4.3Mtpa plant and dual shaft access mine with associated infrastructure
- Final investment decision expected in mid CY23

Clark Deposit

Battery-grade manganese product potential

- Scoping study[a] has confirmed the potential to produce battery-grade manganese into rapidly-growing markets
- Manganese expected to benefit from the decision by the United States Government to invoke the Defense Production Act, supporting the production of critical minerals
- We are reviewing options to potentially accelerate our development studies for Clark

Exploration

A highly prospective land package

- Multi-year geophysics programs have defined a highly prospective corridor within the broader land package
- High-grade copper-lead-zinc-silver mineralisation intersected at the Peake prospect[a], south of the Taylor Deposit
- Planning to drill the Flux prospect[a] in early CY23, located down-dip of an historic mining area

Notes:
a. Refer to important notices (slide 2) for additional disclosure.

HERMOSA PROJECT

Study work and critical path infrastructure development progressing to plan

WTP2 and dewatering well construction

Development studies

- Taylor feasibility study on-track for completion mid CY23
- Clark PFS selection study on-track for completion end CY22

Water

- State permits received to complete dewatering program
- Dewatering is a critical path item to first production which will enable access to both the Taylor and Clark orebodies
- 6 of the 9 required dewatering wells, ahead of shaft sinking, are expected to be completed in FY23
- Construction of the second water treatment plant (WTP2) to support orebody dewatering is underway and expected to be commissioned in Q4 FY23

Tailings storage

- We have established the first of two state-of-the-art dry stack tailings storage facilities

Power

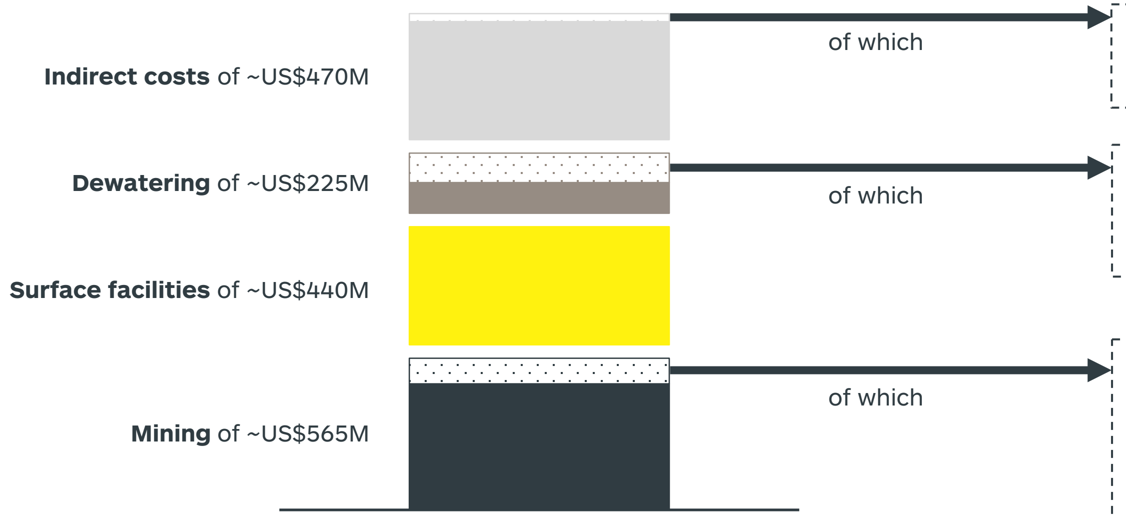
- Discussions ongoing to secure 100% renewable energy from local providers

HERMOSA PROJECT – TAYLOR CAPITAL EXPENDITURE

Our FY23 investment in orebody dewatering, studies and early site works was included in our Taylor PFS capital estimate

PFS pre-production capital expenditure[a]
(US$M)

~US$1.7B total



FY23e Growth capital expenditure
(US$M)

FY23e US$55M

Work across the broader Hermosa project including Clark study costs

US$30M is included in FY23e

Taylor FS costs

US$110M is included in FY23e

WTP2, dewatering wells, piping systems and dewatering power infrastructure

US$95M is included in FY23e

Engineering and initial construction ahead of shaft sinking

Work to support power infrastructure and road construction

Direct costs Mining | Surface facilities | Dewatering | Other project costs[b]

Indirect costs Indirect costs include EPCM, owner's costs and contingency

Notes:
a. Refer to market release "Hermosa project update" dated 17 January 2022. Capital estimate reflects assumptions for key inputs including steel, cement and labour as at H1 FY22.
b. Additional costs incurred during study phase and work across the broader Hermosa project, including at Clark.

HERMOSA EXPLORATION POTENTIAL

SOUTH32

A highly prospective regional land package with the potential for future discoveries

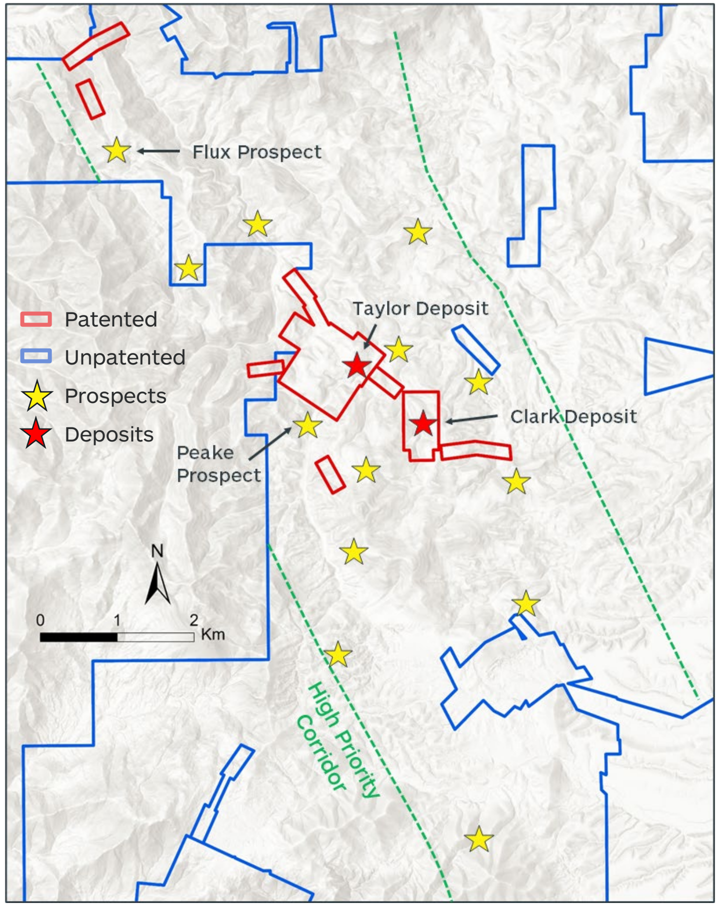
Taylor near-mine exploration

- 138Mt Mineral Resource with a zinc equivalent grade of 8.61%[(a)]
- A highly prospective mineralised system, open at depth and laterally
- We have defined an Exploration Target of 10 to 95Mt, with a mid case of ~45Mt[(a)]

Peake prospect

- High-grade copper-lead-zinc-silver mineralisation, south of Taylor
- Potential for a continuous system connecting Taylor and Peake
- 5 exploration drill holes planned in CY22, with 2 holes currently underway

Hermosa high priority corridor



Regional exploration

- Land tenure increased by 119% since acquisition, consolidating the most prospective areas
- North-west to south-east trending high priority corridor with multiple prospects, identified using surface geophysics, soil sampling and mapping, aligned to historic mining areas

Flux prospect

- Downdip of a historic mining area in carbonates with the potential to host Taylor-like mineralisation
- Expect to drill in early CY23
- Program expected to include up to ~5,500m of diamond drilling

Notes:
a. Refer to important notices (slide 2) for additional disclosure.

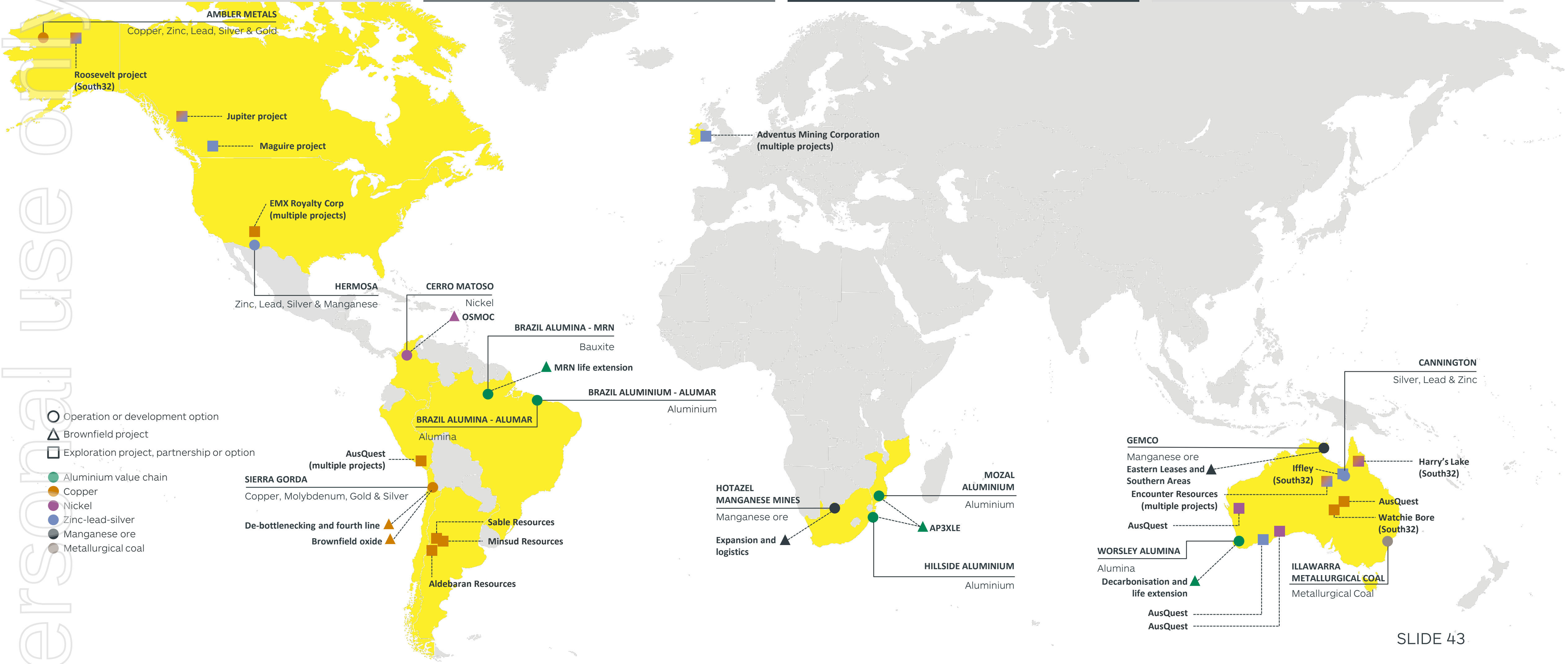
SUMMARY

We produce metals critical to a low-carbon future

We expect to deliver 14% copper equivalent production[6] growth in FY23

Our world class development options have the potential to increase volumes into structurally attractive markets

Our consistent execution is underpinned by our disciplined capital allocation and strong balance sheet



SUPPLEMENTARY INFORMATION

EARNINGS SENSITIVITIES

Annualised estimated impact on FY23e Underlying EBIT of a 10% change in commodity prices or currency[a]	EBIT sensitivities +/- 10% US$M
Aluminium[b]	375
Metallurgical coal[c]	245
Alumina[b]	214
Manganese ore	102
Nickel	86
Copper	82
Silver	26
Lead	23
Zinc	22
Australian dollar	211
South African rand	135
Brazilian real	35
Colombian peso	27
Chilean Peso	11

Notes:

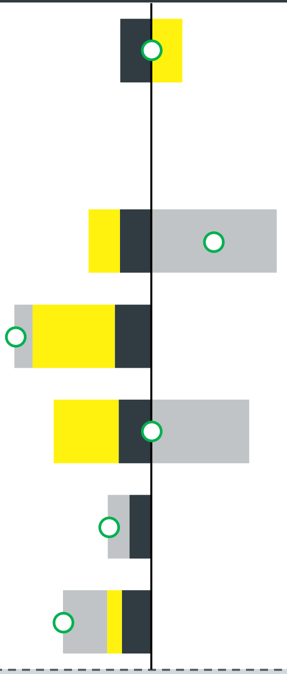
a. The sensitivities reflect the annualised estimated impact on FY23e Underlying EBIT of a 10% movement in FY22 actual realised prices for all operations except for Brazil Aluminium which is based on FY22 average index price for aluminium, and FY22 actual average exchange rates applied to FY23 volumes and costs.

b. Aluminium sensitivity does not include the Group consolidation impact of inter-company alumina sold on index. Aluminium sensitivity is shown without any associated increase in alumina pricing.

c. Includes metallurgical and energy coal at Illawarra Metallurgical Coal.

OPERATING UNIT COSTS

Operating unit costs	FY21	H1 FY22	H2 FY22	FY22	FY22 guidance[41]	FY22 actual vs. FY22 guidance (5%) 0% 5%	Commentary to guidance or FY21
Worsley Alumina (US$/t)	214	256	274	265	265		Higher caustic soda prices offset by a weaker Australian dollar
Brazil Alumina (non-operated) (US$/t)	203	262	312	288	Guidance not provided		Lower volumes and costs to recover from the bauxite ship unloader outage, added to higher raw material and energy costs
Cannington[34] (US$/t)	124	128	139	133	131		Weaker Australian dollar and lower price-linked royalties more than offset by lower throughput as we built run of mine stocks
Cerro Matoso (US$/lb)	4.01	4.11	4.56	4.34	4.49		Lower price-linked royalties and weaker Colombian peso
Illawarra Metallurgical Coal (US$/t)	87	123	129	126	126		Lower price-linked royalties and weaker Australian dollar offset by lower sales volumes
Australia Manganese[35] (FOB, US$/dmtu)	1.52	1.79	1.94	1.86	1.88		Higher sales volumes and a weaker Australian dollar
South Africa Manganese[35] (FOB, US$/dmtu)	2.48	2.63	2.83	2.73	2.79		Higher sales volumes and a weaker South African rand
						Cost breakdown	
						FY22	
Hillside Aluminium (US$/t)	1,631	1,935	2,318	2,137		52% 48%	Significant rise in raw material input costs including alumina, coke and pitch, and energy cost inflation
Mozal Aluminium (US$/t)	1,702	2,008	2,429	2,243		52% 48%	Significant rise in raw material input costs including alumina, coke and pitch, and energy cost inflation

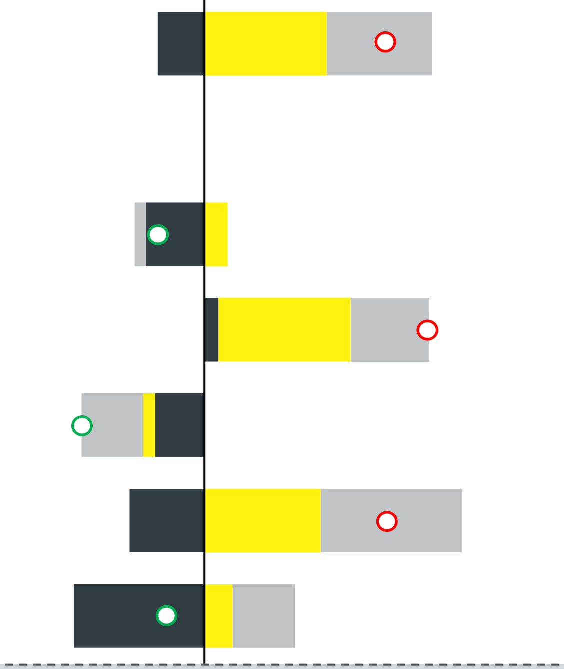


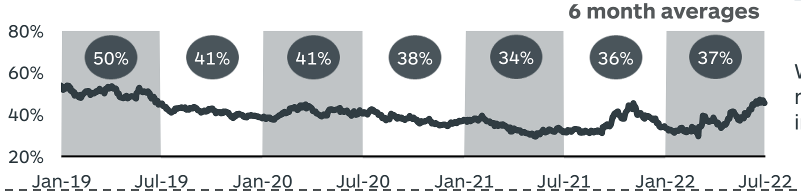
Foreign exchange | Price-linked costs (including royalties)[42] | Controllable costs | Raw material inputs | Other
FY22 actual vs. FY22 guidance % movement | ≤ 5% of guidance | >5% of guidance

OPERATING UNIT COSTS GUIDANCE

SOUTH32

Operating unit costs	H2 FY22 actual	FY22	FY23 Guidance[33]	FY23 guidance vs. FY22 actual	Commentary
Worsley Alumina (US$/t)	274	265	296		Significantly higher caustic soda prices and consumption, and increased freight costs, partially offset by a weaker Australian dollar
Brazil Alumina (non-operated) (US$/t)	312	288	Guidance not provided		Will continue to be influenced by energy and raw material input prices, including caustic soda
Cannington[34] (US$/t)	139	133	129		Higher throughput from the optimised mine plan and a weaker Australian dollar, to more than offset higher energy prices
Cerro Matoso (US$/lb)	4.56	4.34	4.97		Higher price-linked royalties and energy prices, and the impact of the prior year's one-off royalty adjustment (+US$0.13/lb), more than offsetting additional volumes
Illawarra Metallurgical Coal (US$/t)	129	126	116		Higher volumes and a weaker Australian dollar to more than offset labour and energy cost inflation
Australia Manganese[35] (FOB, US$/dmtu)	1.94	1.86	2.08		Higher labour and contractor costs and rising strip ratio, combined with higher diesel prices, more than offsetting a weaker Australian dollar
South Africa Manganese[35] (FOB, US$/dmtu)	2.83	2.73	2.66		Continued use of higher cost trucking, offset by draw down of previously built low-cost inventory from the barrier pillar project and a weaker South African rand
			Smelter raw material basket costs (% of LME Aluminium)[43]		
Hillside Aluminium (US$/t)	2,318	2,137			Will continue to be influenced by the price of raw material inputs, the South African rand and inflation-linked energy costs
Mozal Aluminium (US$/t)	2,429	2,243			



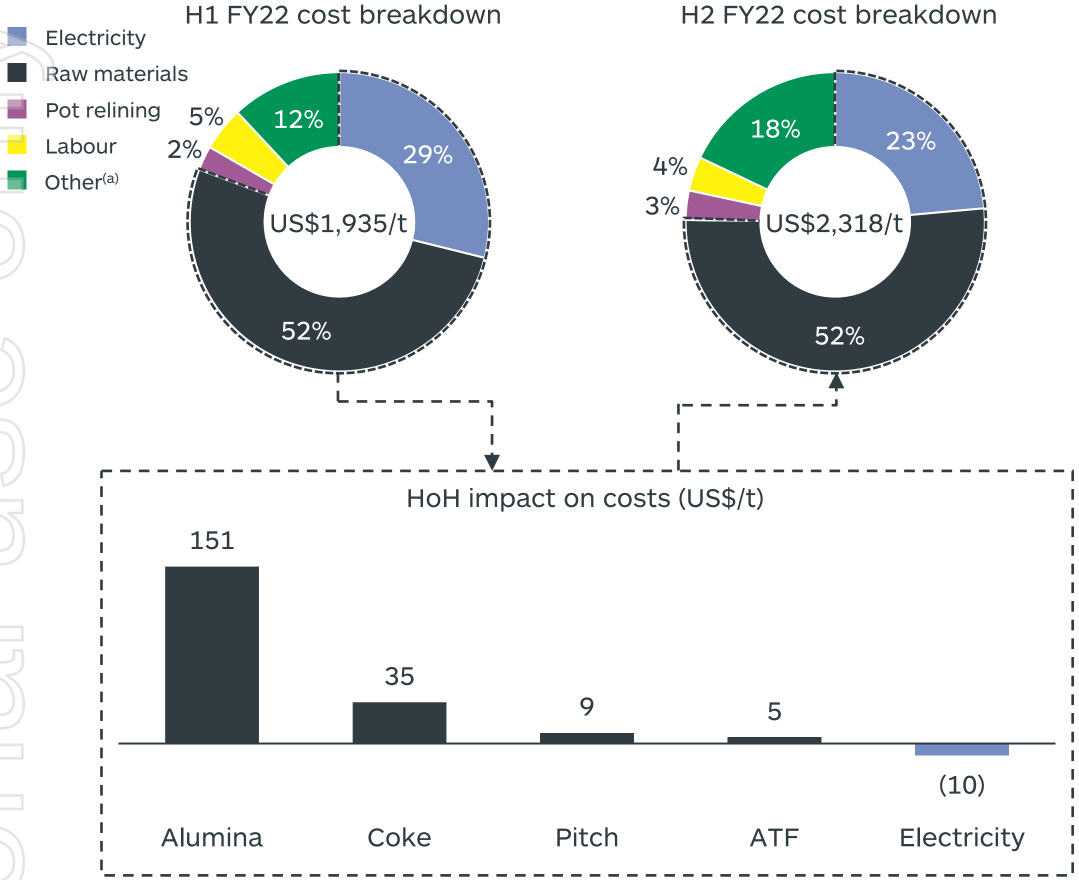


Foreign exchange | Price-linked costs (including royalties)[42] | Controllable costs
FY23 guidance vs. FY22 actual % movement | ≤ 5% of prior year actual | >5% of prior year actual

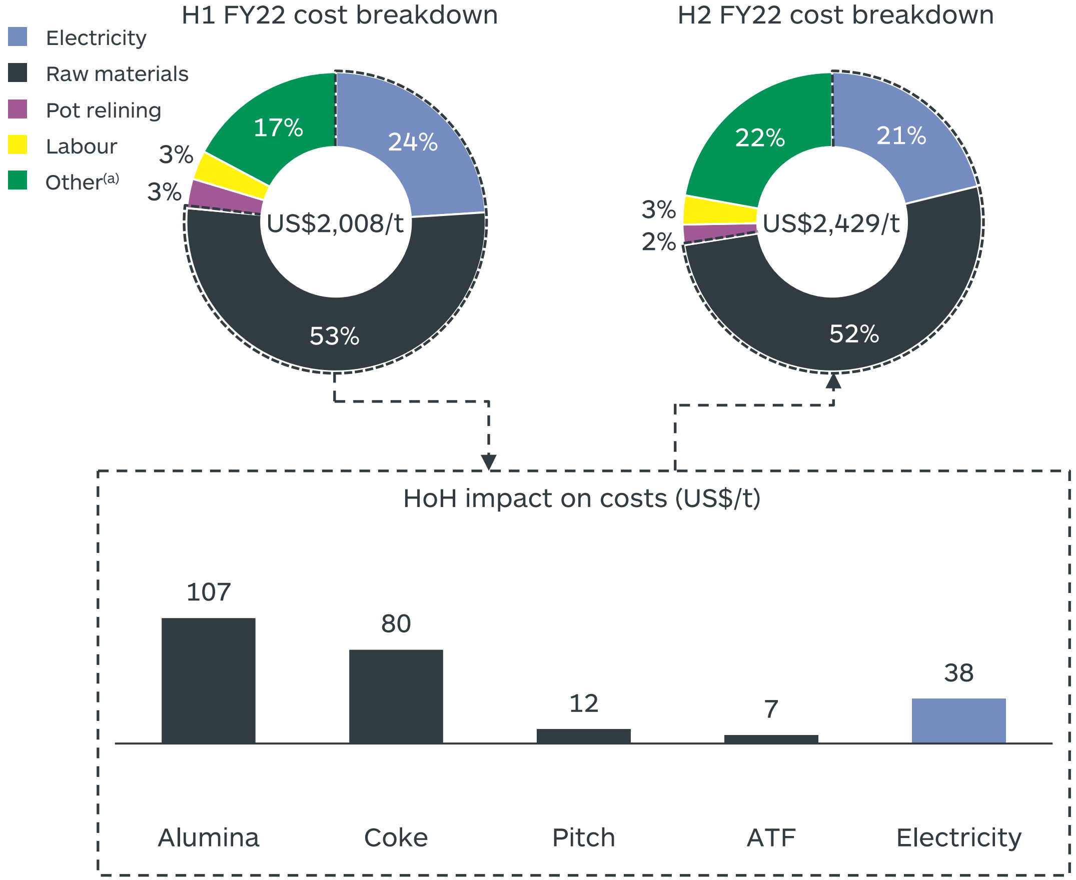
ALUMINIUM SMELTER COST BREAKDOWN

SOUTH32

Hillside Aluminium



Mozal Aluminium

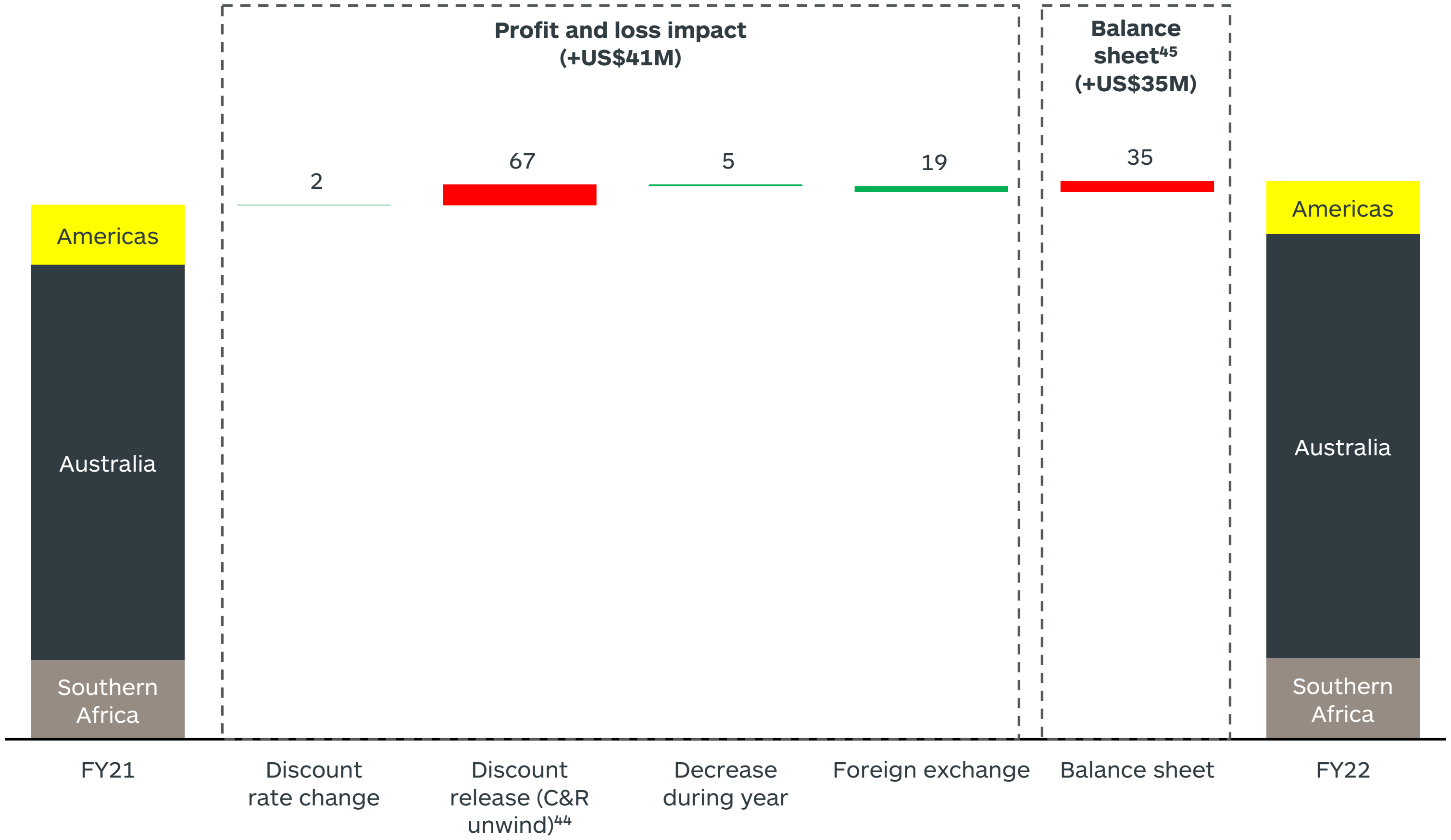


Notes:
a. Other primarily relates to inventory movements and freight.

CLOSURE & REHABILITATION PROVISIONS

Closure and rehabilitation provisions by operation (South32 share)	FY22 US$M	FY21 US$M
Worsley Alumina	822	825
Brazil Alumina (non-operated)	28	40
Brazil Aluminium (non-operated)	6	6
Hillside Aluminium[(a)]	186	206
Mozal Aluminium	75	49
Cannington	318	232
Cerro Matoso	103	115
Illawarra Metallurgical Coal	215	206
Hermosa	33	31
Eagle Downs Metallurgical Coal	7	7
Total	**1,793**	**1,717**

South32 Group



Notes:
a. Includes the Bayside aluminium smelter.

UNDERLYING INCOME TAX EXPENSE

SOUTH32

Underlying income tax expense reconciliation and Underlying effective tax rate[1,2]	FY22 US$M	FY21[3] US$M
Underlying EBIT profit/(loss)	3,967	*1,039*
Include: Underlying net finance revenue/(costs)	(155)	*(170)*
Remove: Share of (profit)/loss of immaterial equity accounted investments	2	9
Underlying profit/(loss) before taxation	**3,814**	***878***
Income tax expense/(benefit)	**1,024**	**(103)**
Tax effect of earnings adjustments to Underlying EBIT	32	247
Tax effect of earnings adjustments to net finance costs	(13)	(7)
Exchange rate variations on tax balances	(20)	66
Tax effect on significant items	(26)	–
Sierra Gorda joint venture statutory adjustment income tax	1	–
Sierra Gorda joint venture statutory adjustment royalty related tax	4	–
Manganese joint venture statutory adjustments income tax	153	*124*
Manganese joint venture statutory adjustments royalty related tax	55	*53*
Total adjustments to derive Underlying income tax expense	**186**	***483***
Underlying income tax expense/(benefit)	**1,210**	***380***
Underlying effective tax rate (ETR) including royalty related tax	**31.7%**	***43.3%***

UNDERLYING NET FINANCE COSTS

Underlying net finance costs reconciliation[1,2]	FY22 US$M	FY21[3] US$M
Unwind of discount applied to closure and rehabilitation provisions	(83)	(72)
Change in discount rate on closure and rehabilitation provisions	3	7
Interest on lease liabilities	(54)	(55)
Other	(21)	(7)
Discontinued operations	–	(43)
Underlying net finance costs	**(155)**	**(170)**
Add back earnings adjustment for exchange rate variations on net debt	40	(52)
Sierra Gorda joint venture adjustments[46]	62	–
Manganese joint venture adjustments[46]	22	18
Total adjustments to derive net finance costs	**124**	**(34)**
Net finance costs	**(31)**	**(204)**

CAPITAL EXPENDITURE GUIDANCE

Capital expenditure excluding exploration and intangibles (South32 share)	FY22 US$M	FY23e US$M
Worsley Alumina	47	45
Brazil Alumina	51	50
Brazil Aluminium	1	10
Hillside Aluminium	20	30
Mozal Aluminium	10	17
Cannington	43	60
Cerro Matoso	18	40
Illawarra Metallurgical Coal	177	263
Safe and reliable capital expenditure (excluding EAI)	**367**	**515**
Worsley Alumina	8	44
Brazil Alumina	–	19
Cerro Matoso	19	4
Illawarra Metallurgical Coal	12	3
Other operations	19	15
Improvement and life extension capital expenditure (excluding EAI)	**58**	**85**
Hermosa	97	290
Growth capital expenditure	**97**	**290**
Total capital expenditure (excluding EAI)	**522**	**890**
Total capital expenditure (including EAI)	**684**	**1,245**
Capital expenditure for EAI excluding exploration and intangibles (South32 share)		
Sierra Gorda	36	205
Australia Manganese	56	50
South Africa Manganese	14	15
Safe and reliable capital expenditure (EAI)	**106**	**270**
Sierra Gorda	45	43
Australia Manganese	6	14
South Africa Manganese	5	28
Improvement and life extension capital expenditure (EAI)	**56**	**85**
Total capital expenditure (EAI)	**162**	**355**

FOOTNOTES

1. South Africa Manganese ore has been reported as a 54.6% interest (previously 60%) reflecting our Metalloys manganese alloy smelter (60% interest) having been placed on care and maintenance, and aligning with our interest in Hotazel Manganese Mines (HMM). South32 has a 44.4% ownership interest in HMM. 26% of HMM is owned by a B-BBEE consortium comprising Ntsimbintle Mining (9%), NCAB Resources (7%), Iziko Mining (5%) and HMM Education Trust (5%). The interests owned by NCAB Resources, Iziko Mining and HMM Education Trust were acquired using vendor finance with the loans repayable via distributions attributable to these parties, pro rata to their share in HMM. Until these loans are repaid, South32's interest in HMM is accounted at 54.6%.
2. During the current financial reporting period the internal reporting of the Group's consolidated financial results was changed. The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's Board and management to assess their performance. FY21 comparative information has been restated to reflect this change.
3. FY21 includes TEMCO and discontinued operation South Africa Energy Coal.
4. Including distributions from our manganese and Sierra Gorda EAIs.
5. Based on FY24 production guidance of 179kt at Brazil Aluminium and 370kt at Mozal Aluminium, compared to prior capacity of 273kt at Mozal Aluminium.
6. Group FY22 (1,374kt) and FY23e (1,568kt) copper equivalent production was calculated using FY22 realised prices for all operations except for Brazil Aluminium which is based on the FY22 average index price for aluminium.
7. Operating margin comprises Underlying EBITDA excluding third party product EBITDA, divided by revenue excluding third party product revenue.
8. Metrics describing health, safety, environment, people and community related performance in this presentation apply to 'operated operations' that have been wholly owned and operated by South32, or that have been operated by South32 in a joint arrangement.
9. Total Recordable Injury Frequency (TRIF): (The sum of recordable injuries x 1,000,000) ÷ exposure hours. This is stated in units of per million hours worked for employees and contractors. Total recordable illness frequency (TRILF): (The sum of recordable illnesses x 1,000,000) ÷ exposure hours. To ensure that incident classification definitions are applied uniformly across our workforce, we have adopted the United States Government Occupational Safety and Health Administration (OSHA) and the International Council on Mining and Metals (ICMM) guidelines for the recording and reporting of occupational injuries and illnesses.
10. In July 2022, South32 received an ESG Risk Rating of 23.9 from Sustainalytics and was assessed to be at medium risk of experiencing material financial impacts from ESG factors. Copyright ©2022 Sustainalytics. All rights reserved. This presentation contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.
11. In May 2022, South32 received a rating of A (on a scale of AAA – CCC) in the MSCI ESG Ratings assessment.
12. Generic term meaning Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent; or who become citizens of the Republic of South Africa by naturalisation before 27 April 1994 or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.
13. The Senior Leadership Team includes Presidents and Vice Presidents reporting to members of the South32 Lead Team.
14. The Operational Leadership Team includes all General Managers and Managers reporting to Vice President Operations, and all Managers reporting to General Managers at an operation.
15. Other includes improvement in profitability from an increased ownership in Mozal Aluminium since 31 May 2022, closure of the Bayside Aluminium smelter and the divestment of TEMCO, partially offset by Metalloys' being placed on care and maintenance.
16. Other includes lower depreciation and amortisation at Illawarra Metallurgical Coal and the recognition of historical tax credits at Brazil Alumina.
17. Underlying net finance costs and Underlying income tax expense are actual FY22 results, not year-on-year variances.
18. Other includes increases in costs from an increased ownership in Mozal Aluminium, partially offset by cost savings associated with the Metalloys manganese alloy smelter having been placed on care and maintenance and costs related to the closed Bayside Aluminium smelter.
19. FY21 third party product cost is US$35M for aluminium, US$10M for alumina, US$137M for coal, US$35M for manganese, US$84M for freight services and US$91M for raw materials. FY22 third party product cost is US$102M for aluminium, US$17M for alumina, US$108M for coal, US$40M for manganese, US$138M for freight services and US$165M for raw materials.
20. Market traded consumables and price-linked costs excludes the impact of smelter power costs.
21. Other includes the elimination of marketing purchases.
22. Cost base includes EAIs and excludes Other income. FY22 includes a US$96M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA (FY21 includes a US$160M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA).
23. Other (FY22 expenditure) includes bauxite consumption at Brazil Alumina. Other (YoY increase) includes accounting related adjustments.
24. Excludes our manganese and Sierra Gorda EAIs. Includes intangibles and capitalised exploration.
25. Other primarily includes vendor support provided as part of the divestment of South Africa Energy Coal, foreign exchange movements on net cash and capitalised lease liabilities.
26. Cash and debt balances, and equity are as at 30 June 2022.
27. Refer to market release "South32 secures sustainability-linked revolving credit facility" dated 15 December 2021.
28. Refer to market release "South32 prices US$700M of Senior Notes" dated 8 April 2022.
29. Worsley Alumina lease liability for two multi fuel cogeneration units commenced in 2014 with a tenor of 32 years (incorporating a 7-year extension option).
30. EPS refers to Underlying earnings per share since inception of the capital management program. Cumulative EPS is calculated as the sum of Underlying earnings over time, divided by shares outstanding with or without the share buy-back.

FOOTNOTES

31. Sierra Gorda's copper equivalent production (kt) was calculated by aggregating revenues from copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. FY22 realised prices for copper (US$3.50/lb), molybdenum (US$18.48/lb), gold (US$1,934/oz) and silver (US$23.5/oz) have been used for FY22 and FY23e.
32. Zinc equivalent (kt) was calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY22 realised prices for zinc (US$3,248/t), lead (US$2,046/t) and silver (US$21.0/oz) have been used for FY21, FY22, FY23e and FY24e.
33. FY23 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY23, including: an alumina price of US$364/t; an average blended coal price of US$265/t for Illawarra Metallurgical Coal; a manganese ore price of US$6.40/dmtu for 44% manganese product; a nickel price of US$9.94/lb; a silver price of US$22.11/troy oz; a lead price of US$2,059/t (gross of treatment and refining charges); a zinc price of US$3,480/t (gross of treatment and refining charges); a copper price of US$4.07/lb (gross of treatment and refining charges); a molybdenum price of US$16.95/lb (gross of treatment and refining charges); a gold price of US$1,860/troy oz; an AUD:USD exchange rate of 0.69; a USD:ZAR exchange rate of 16.62; a USD:COP exchange rate of 3,851; and a reference price for caustic soda; all of which reflected forward markets as at June 2022 or our internal expectations.
34. Sierra Gorda and Cannington Operating unit cost is Revenue less Underlying EBITDA divided by ore processed. Periodic movements in finished product inventory may impact Operating unit costs as related marketing costs may change.
35. FOB ore Operating unit cost is Revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.
36. Cerro Matoso has a license to operate to 1 August 2029 under terms of Contract 051-96M, with the option of a 15-year term extension to 2044.
37. In FY21, we developed a scenario in which global warming is assumed to be limited to 1.5°C above pre-industrial levels and analysed the potential impacts on commodity demand. In this scenario the world transitions to a low-carbon economy at a much faster rate than in our base case (which is a probable trajectory of at least 2°C warming). The chart illustrates projected long-term commodity demand in the 1.5°C scenario compared to our base case.
38. Refer to market release "Financial Results and Outlook Year Ended 30 June 2022" dated 25 August 2022. Sale price includes US$103M in cash payments, US$82M of Anglo Pacific shares and contingent payments of up to US$15M.
39. Refers to aluminium produced using renewable power.
40. Refer to media release "South32 completes acquisition of additional interest in Mineração Rio do Norte" dated 2 May 2022.
41. FY22 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY22, including: an alumina price of US$399/t; an average blended coal price of US$382/t for Illawarra Metallurgical Coal; a manganese ore price of US$6.07/dmtu for 44% manganese product; a nickel price of US$10.60/lb; a silver price of US$24.22/troy oz; a lead price of US$2,308/t (gross of treatment and refining charges); a zinc price of US$3,461/t (gross of treatment and refining charges); an AUD:USD exchange rate of 0.73; a USD:ZAR exchange rate of 15.06; a USD:COP exchange rate of 3,843; and a reference price for caustic soda; all of which reflected forward markets as at March 2022 or our internal expectations.
42. Price-linked costs reflect commodity price-linked and market traded consumables costs.
43. Sources: LME, Baiinfo, Aladinny, AZ China, CRU, Platts, Jacobs. Calculation assumes 1t of aluminium, 1.9t alumina, 0.35t coke, 0.075t pitch and 0.02t aluminium tri-fluoride.
44. Unwind of discount applied to closure and rehabilitation provisions.
45. Balance sheet movement (+US$35M) reflects the net impact of a US$167M increase in provisions as a result of amounts capitalised for changes in costs and estimates related to open mines, and a US$19M increase in provisions as a result of portfolio changes, partially offset by a US$127M decrease in provisions associated with the capitalisation of foreign exchange impacts on restatement of closure provisions relating to open sites, a US15M decrease in provisions as a result of amounts capitalised from changes in discount rates, and a US$9M decrease as a result of utilisation.
46. The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The joint venture adjustments reconcile the proportional consolidation to the equity accounting position included in the Group's consolidated financial statements.

The denotation (e) refers to an estimate or forecast year.

The following abbreviations have been used throughout this presentation: billion (B); cents per share (cps); dry metric tonne (dmt); Dendrobium Next Domain (DND); earnings before interest and tax (EBIT); earnings before interest, tax, depreciation and amortisation (EBITDA); free on board (FOB); feasibility study (FS); financial year (FY); greenhouse gas (GHG); Illawarra Metallurgical Coal (IMC); inclusion and diversity (I&D); million (M); Mineração Rio do Norte (MRN); Ore Sorting and Mechanical Ore Concentration (OSMOC); pre-feasibility study (PFS); return on invested capital (ROIC); Tasmanian Electro Metallurgical Company (TEMCO); total recordable injury frequency (TRIF); total recordable illness frequency (TRILF); United States (US) and year to date (YTD).

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