

“Headline earnings increased by 136% to a record R13 064 million driven by the iron ore and PGM operations.

A final dividend of R20.00 per share was declared.”

Dr Patrice Motsepe, Executive Chairman

Disclaimer

Throughout this presentation a range of financial and non-financial measures are used to assess the company's performance, including, but not limited to financial measures that are not defined under International Financial Reporting Standards (IFRS). These adjusted financial measures are included for illustrative purposes and are the responsibility of the Board of Directors. They should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

Rounding of figures may result in minor computational discrepancies.

All photographs were taken prior to the onset of Covid-19 and thus may include people without masks.

Forward looking statements

Certain statements in this report constitute forward looking statements that are neither reported financial results nor other historical information. They include but are not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward looking statements may or may not take into account and may or may not be affected by known and/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, unpredictables and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa. These forward looking statements speak only as of the date of publication of these pages. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unpredictable events.

Results overview

Executive Chairman:
Dr Patrice Motsepe

Salient features: Safety and health

LOST TIME INJURY FREQUENCY RATE (LTIFR)*



9% to

0.41

(F2020: 0.45)

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)**



12% to

0.81

(F2020: 0.92)

FATALITIES



2 fatalities at Modikwa Mine

(F2020: 3 fatalities, one each at Nkomati,
Two Rivers and
Tweefontein mines)

COVID-19



Strict protocols
to prevent the spread of COVID-19
are ongoing at our corporate offices
and the operations

We are committed to creating and maintaining a safe and healthy work environment.

* LTIFR per 200 000-man hours
** TRIFR includes the number of fatal injuries, number of lost time injuries and number of medical cases

Salient features: Earnings

HEADLINE EARNINGS



136% to

R13.0 billion

(F2020: R5.5 billion)

SEGMENTAL EBITDA



121% to

R24.3 billion

(F2020: R11.0 billion)

ARM FERROUS HEADLINE EARNINGS



77% to

R7.9 billion

(F2020: R4.5 billion)

ARM PLATINUM HEADLINE EARNINGS



309% to

R4.7 billion

(F2020: R1.1 billion)

Salient features: Total dividend and financial position

TOTAL DIVIDEND FOR THE 2021 FINANCIAL YEAR



150% to

R30 per share

(F2020: R12 per share)

NET CASH AT 30 JUNE 2021



119% to

R8.2 billion

(F2020: R3.8 billion)

DIVIDENDS RECEIVED FROM TWO RIVERS



116% to

R1 431 million

(F2020: R664 million)

DIVIDENDS RECEIVED FROM ASSMANG



8% to

R4.0 billion

(F2020: R3.7 billion)

Subsequent to year-end, ARM received a final dividend of R3.5 billion from Assmang

TESTING AND SCREENING FOR THE 2021 FINANCIAL YEAR



142 052

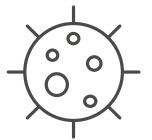
Covid-19 health screenings

7 428

Covid-19 tests

2 134

Positive Covid-19 cases



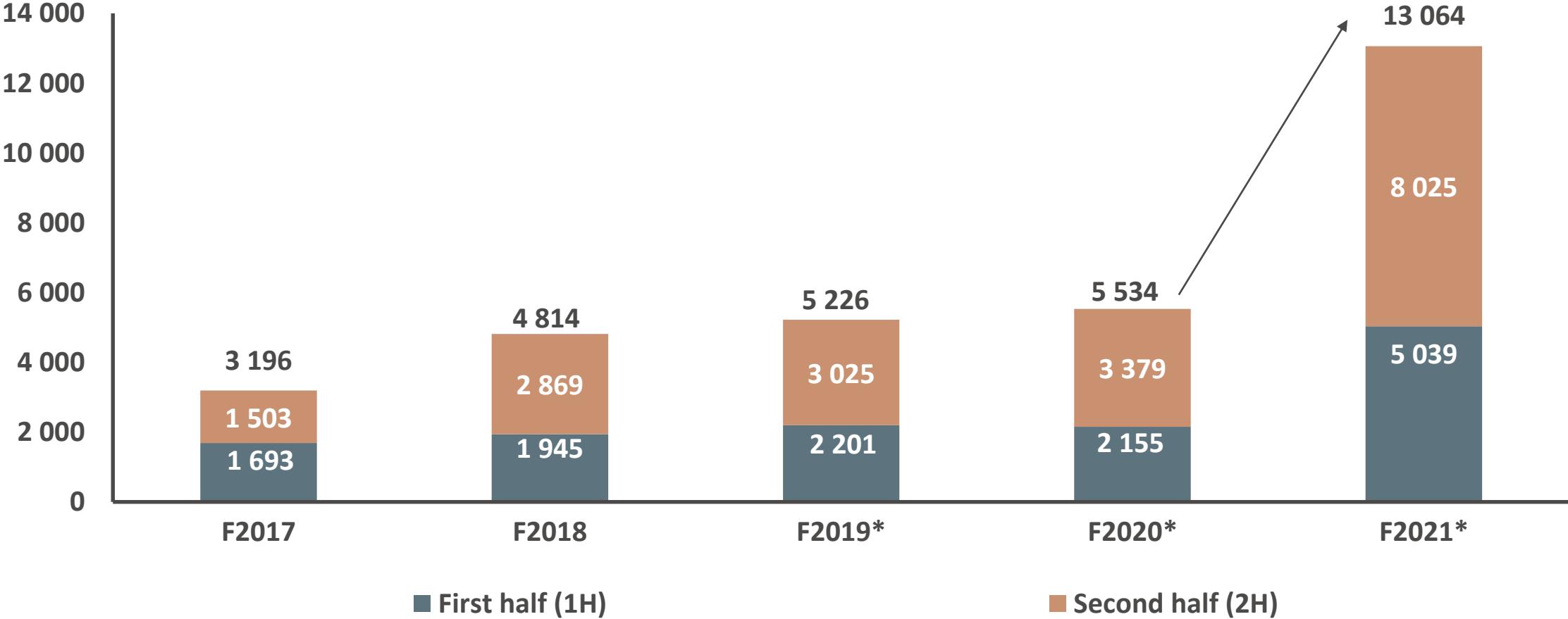
34 employees

succumbed to Covid-19 in F2021

We extend our sincere condolences to those who have lost loved ones to Covid-19

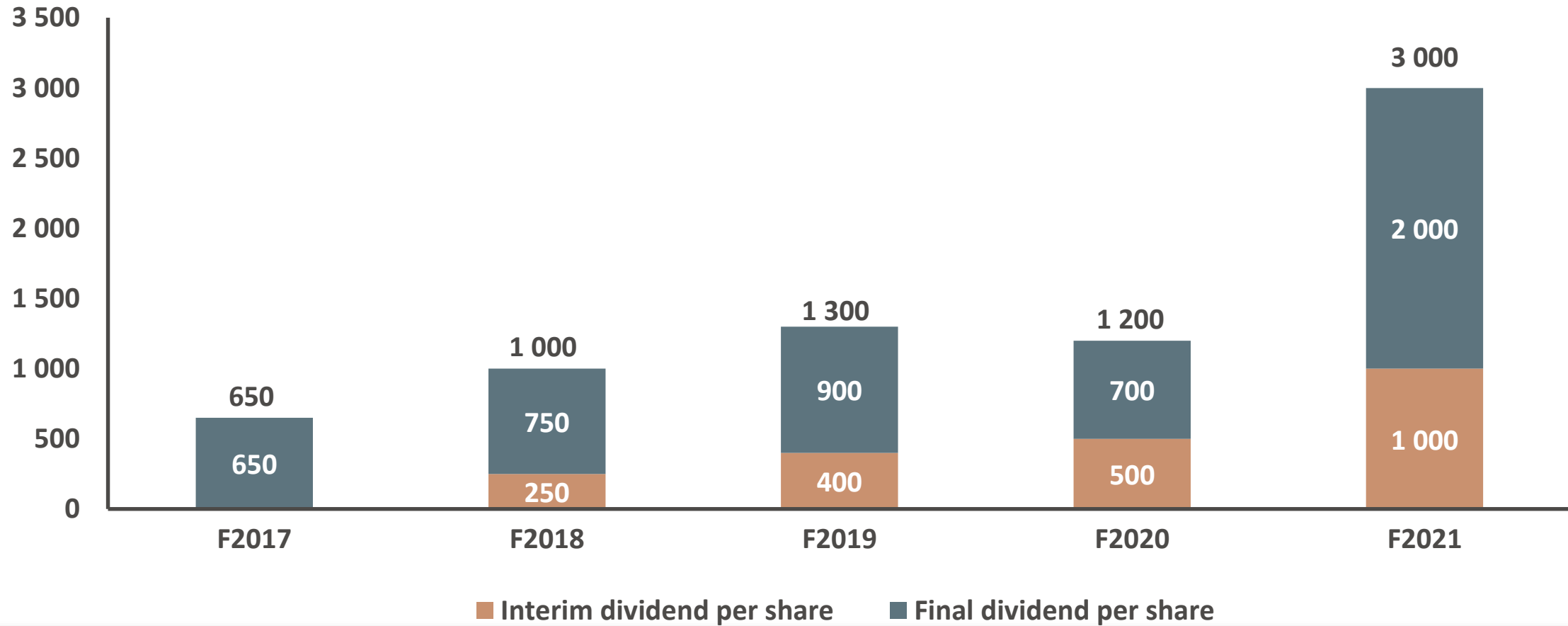
ARM is supporting the national Covid-19 vaccine roll-out and has established vaccine sites at 5 operations

Headline earnings (R million)



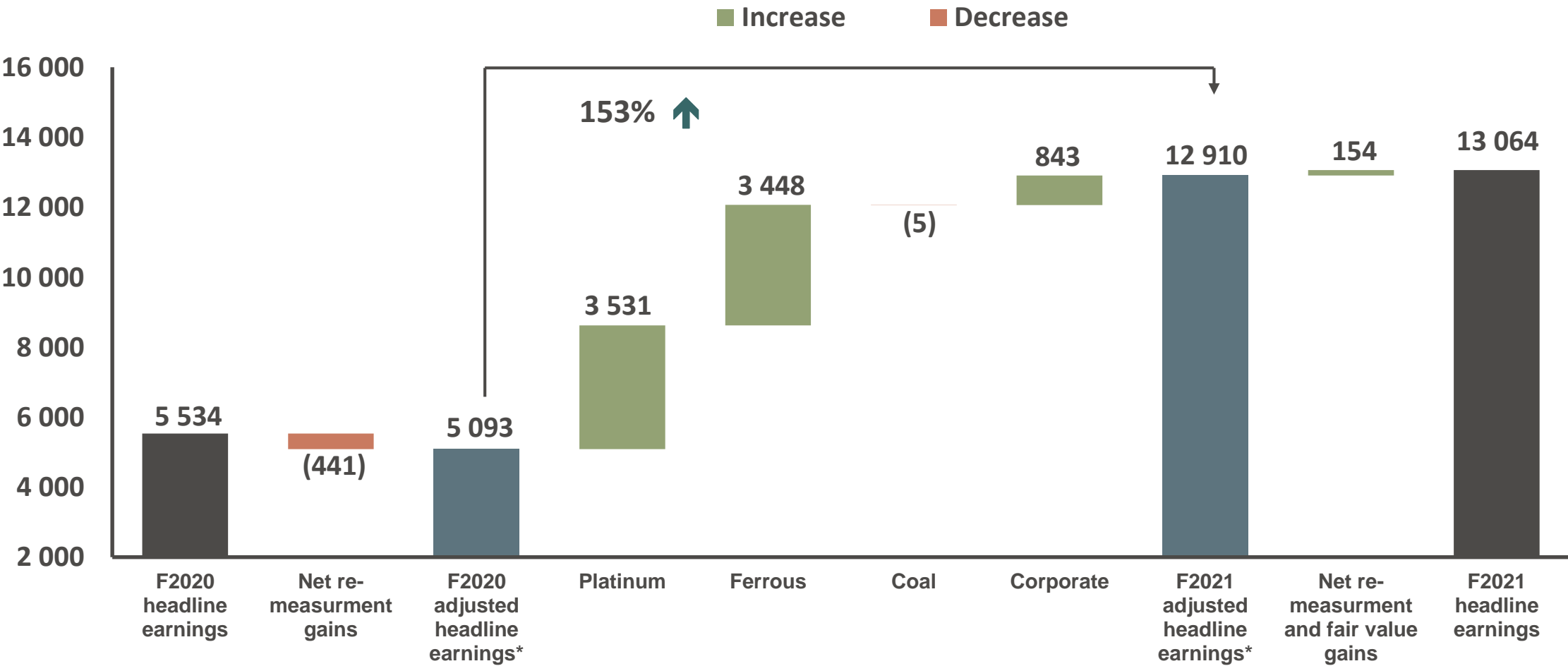
* The F2019 to F2021 headline earnings include re-measurement gains and losses on partner loans. Re-measurement gains and losses for the current and corresponding periods are detailed on slide 35 of this presentation.

Dividends per share (cents)



Total dividend declared increased by 150% compared to F2020

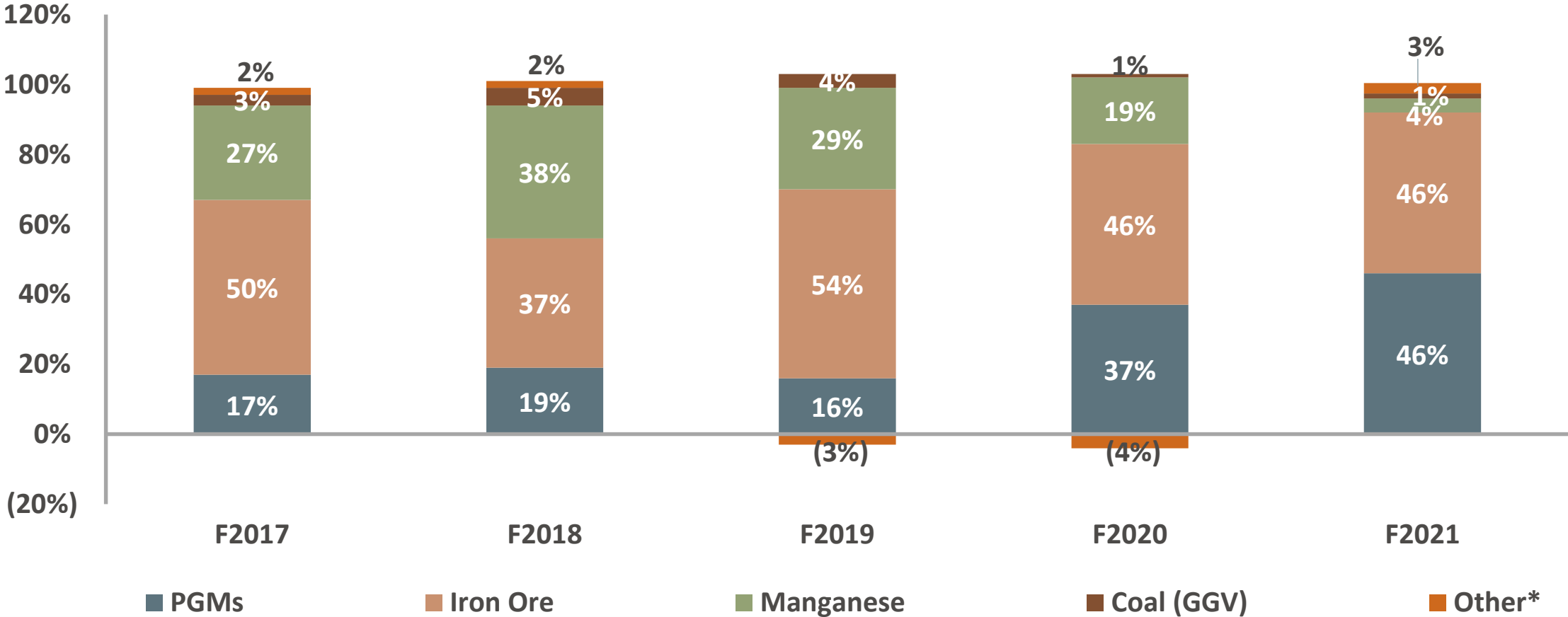
Headline earnings analysis by operation / division (R million)



*Adjusted headline earnings exclude re-measurement gains and losses for the period. The table on slide 35 summarises these gains and losses for the current and corresponding financial periods. The adjusted headline earnings are included for illustrative purposes and are the responsibility of the board of directors. They should be considered in addition to, and not as a substitute for, or superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS

Diversified earnings

EBITDA SPLIT BY COMMODITY (%)

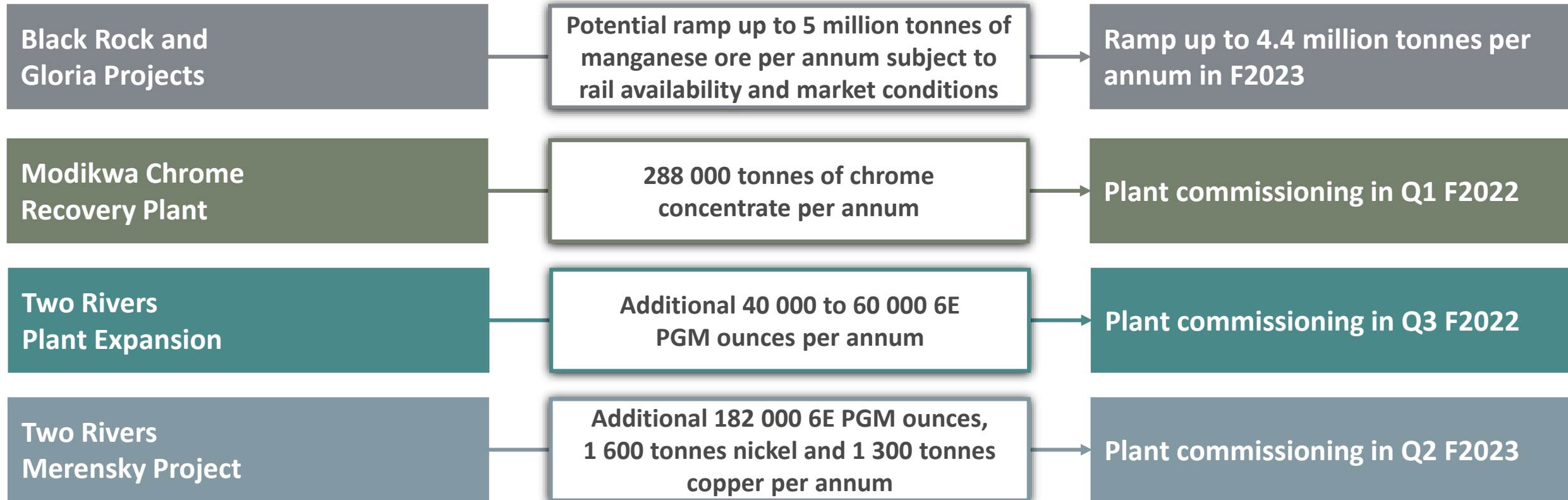


Significant EBITDA contribution from PGMs and iron ore

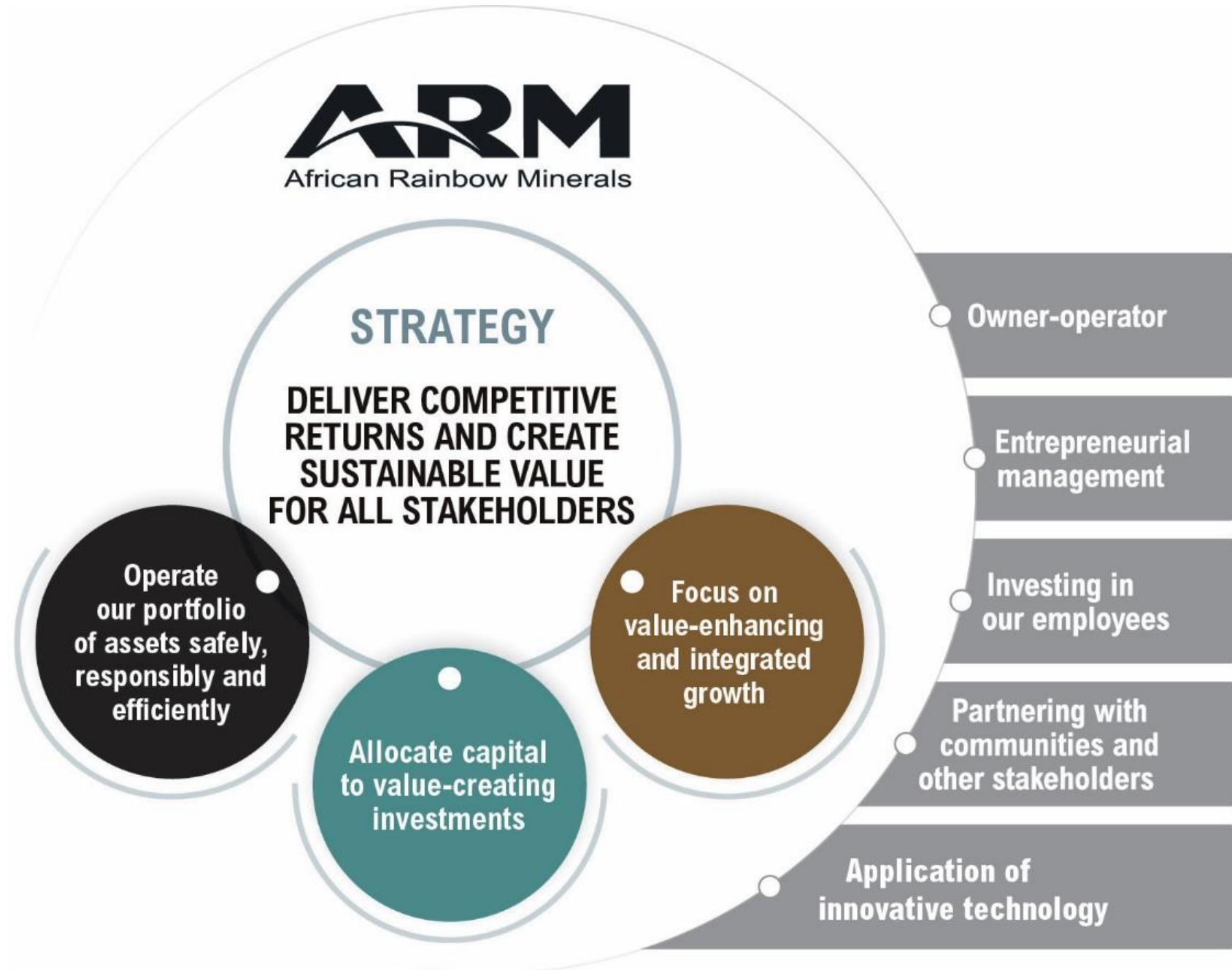
* Other is made up of chrome, nickel and ARM corporate

Growth projects

CURRENT AND FUTURE GROWTH PROJECTS



ARM continues to assess value-enhancing internal and acquisition growth opportunities



Operational review

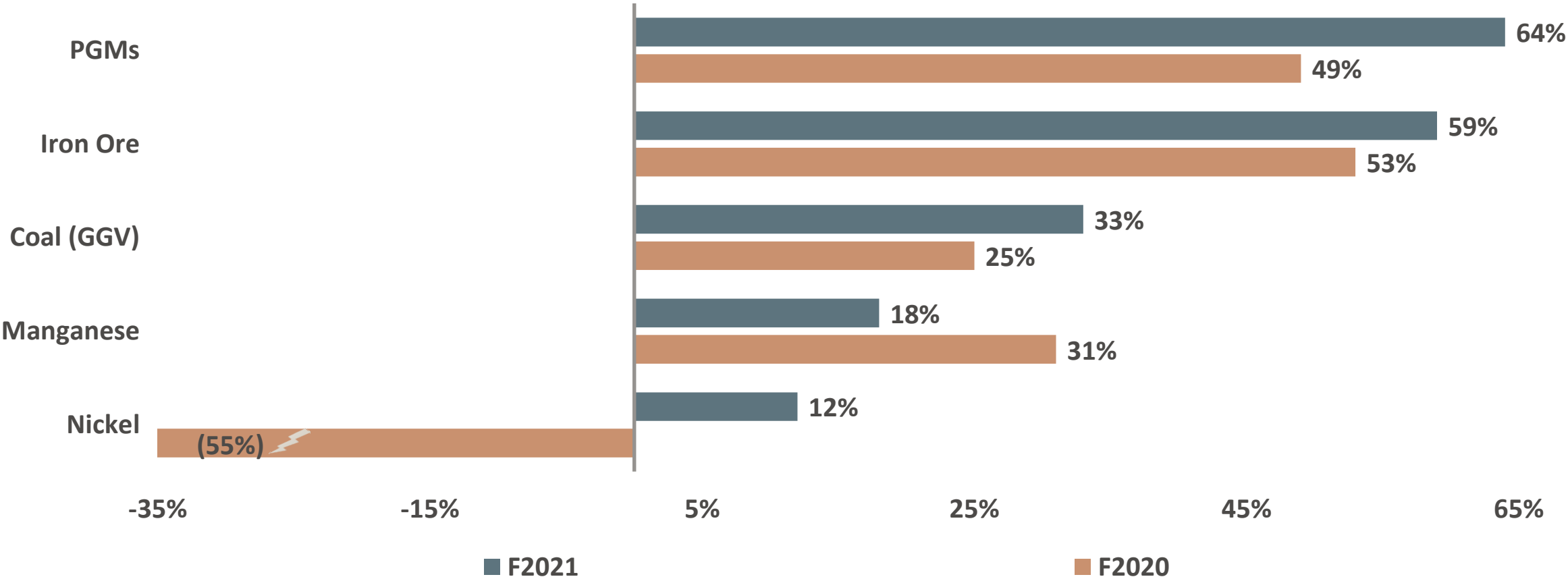
Chief Executive Officer:
Mike Schmidt



Headline earnings/(loss) by division / operation

<i>R million</i>	Reviewed F2021	Audited F2020	% change
ARM Platinum	4 666	1 142	>200
Two Rivers Mine	2 972	1 065	179
Modikwa Mine	1 529	781	96
Nkomati Mine	165	(704)	
ARM Ferrous	7 927	4 479	77
Iron ore division	7 522	3 687	104
Manganese division	448	836	(46)
Consolidation adjustment and other	(43)	(44)	
ARM Coal	(250)	(2)	<(200)
Goedgevonden Mine	10	(38)	
PCB Operations	(260)	36	<(200)
ARM Corporate and other	721	(85)	
Corporate and other	828	78	>200
Machadodorp Works	(107)	(163)	34
Headline earnings	13 064	5 534	136

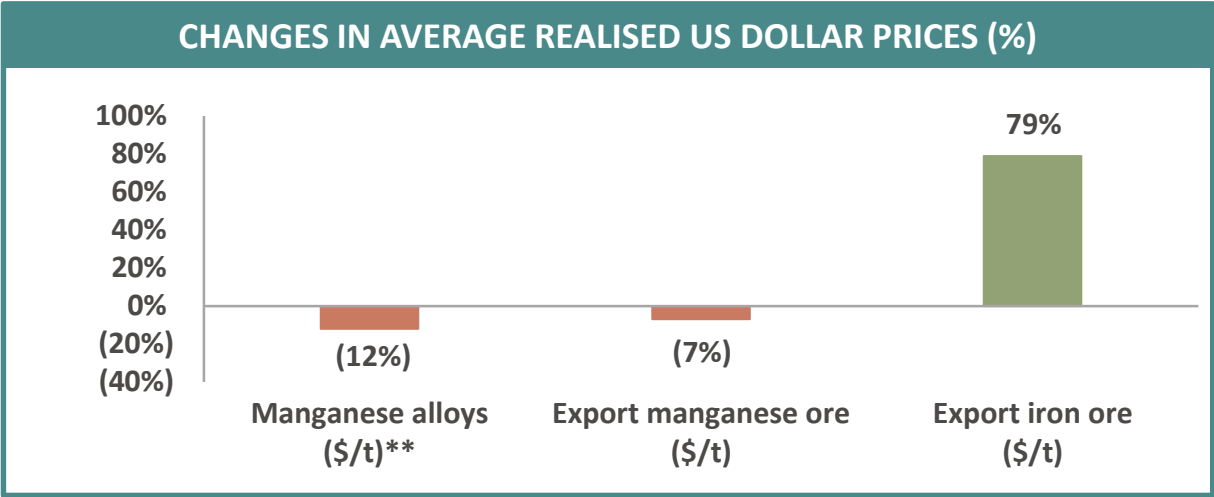
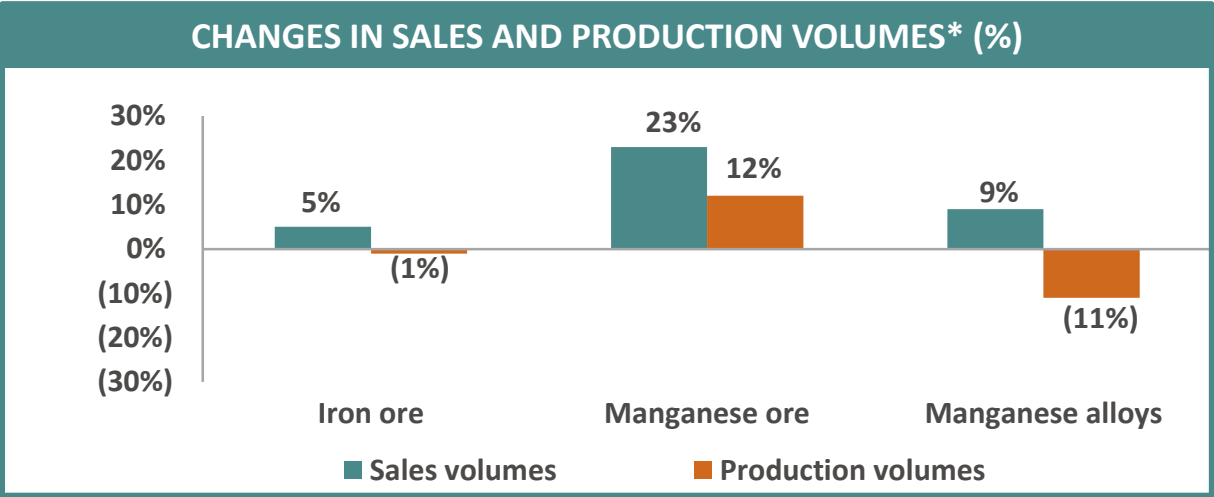
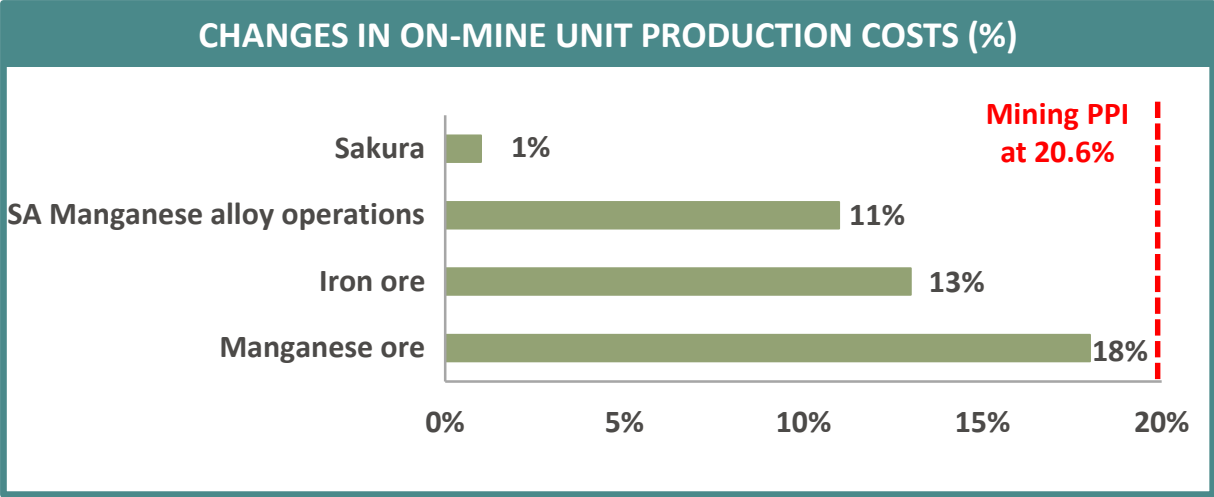
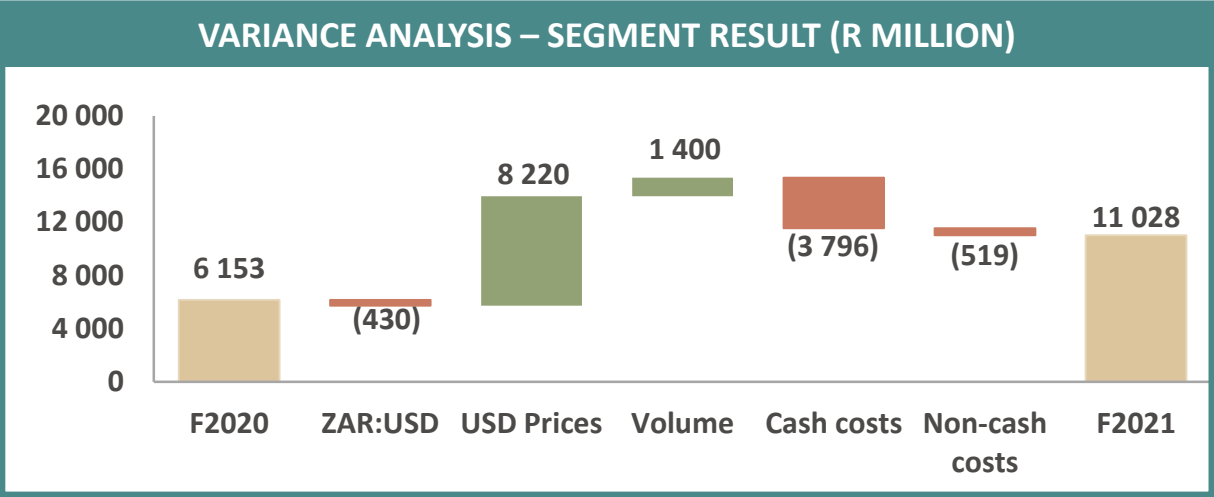
EBITDA margins by commodity*



* Excludes any re-measurement and fair value gains or losses

ARM Ferrous





■ Increase

■ Decrease

* External sales only | ** Includes Sakura Ferroalloy sales

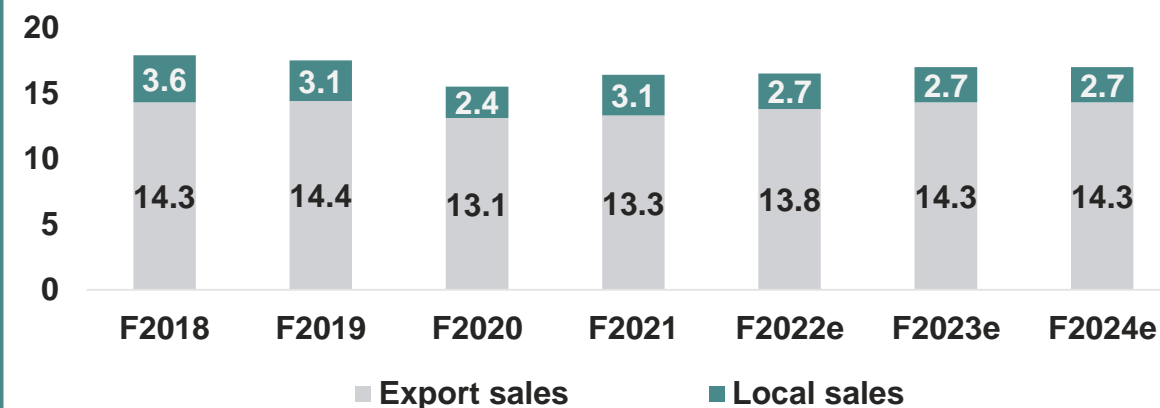
Iron ore (100% basis)

SALIENT FEATURES

- Beeshoek Mine completed 18 consecutive years fatality-free and Khumani Mine completed 6.5 consecutive years fatality-free.
- Headline earnings increased by 104% driven by higher iron ore prices.
- Production volumes at Khumani Mine were lower mainly due to challenges related to water supply and Covid-19 related absenteeism.
- On-mine unit production costs increased by 13% mainly due to inflation, higher working-cost waste tonnages and Covid-19 related expenses.
- Major operational and maintenance challenges at Transnet Freight are being mitigated through ongoing engagement.

	unit	F2021	F2020	% change
Export sales volumes	000 tonnes	13 269	13 129	1
Local sales volumes	000 tonnes	3 148	2 439	29
Export sales lump:fines ratio	%	58:42	48:52	
Change in on-mine unit production costs	%	13	10	
Capital expenditure	R million	2 397	2 223	8

SALES VOLUMES (MILLION TONNES)



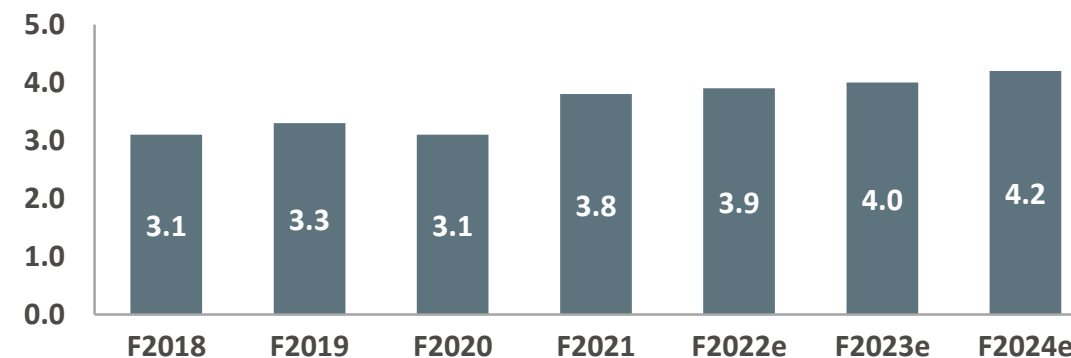
Manganese ore (100% basis)

SALIENT FEATURES

- Black Rock Mine completed 12 consecutive years fatality-free and achieved 9 million fatality-free shifts.
- Manganese ore prices remained under pressure.
- Production volumes increased by 12% as the Black Rock and Gloria projects ramped up.
- On-mine unit production costs increased by 18% owing to increased labour costs, higher insurance costs and Covid-19 compliance and absenteeism costs.
- The Black Rock and Gloria projects were delayed due to Covid-19 restrictions.
- Unit production costs are expected to improve as completion and ramp up of the Black Rock and Gloria projects delivers improved efficiencies.

	Unit	F2021	F2020	% change
Export sales volumes	000 tonnes	3 823	3 128	22
Local sales volumes	000 tonnes	143	99	45
Change in on-mine unit production costs	%	18	(2)	
Capital expenditure	R million	2 060	2 228	(8)

EXPORT MANGANESE ORE VOLUMES (MILLION TONNES)



Manganese alloys (100% basis)

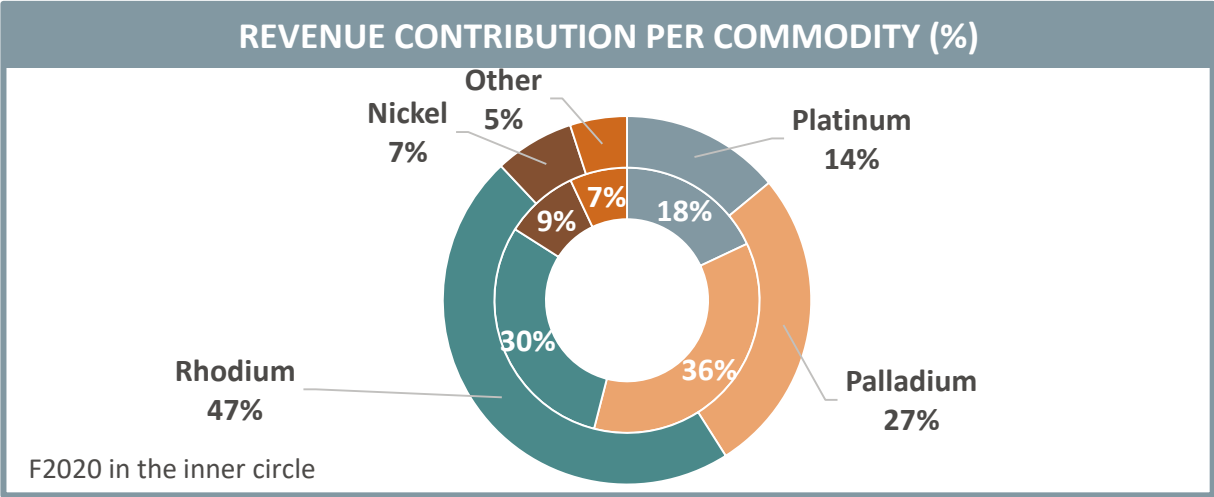
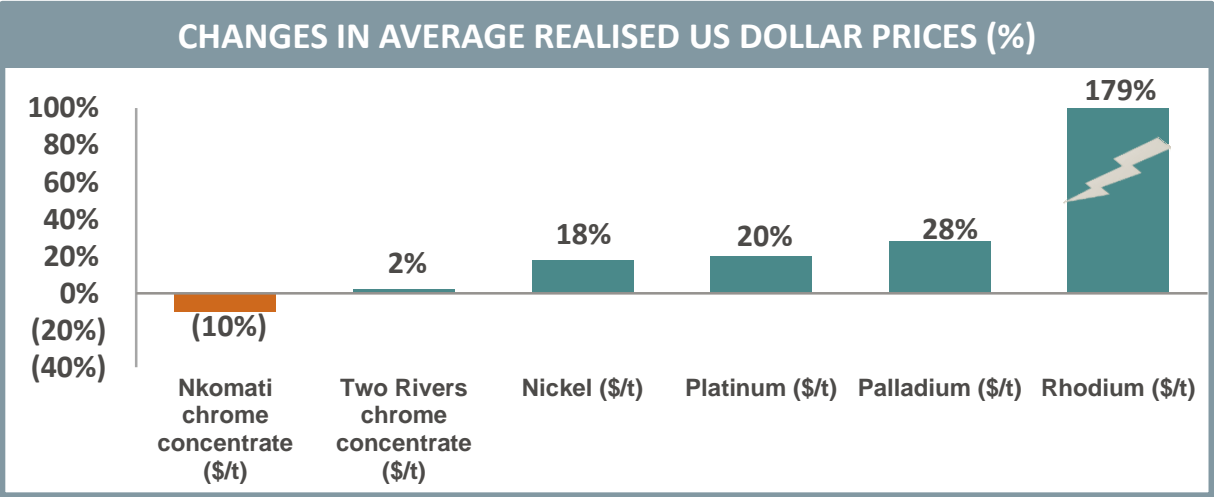
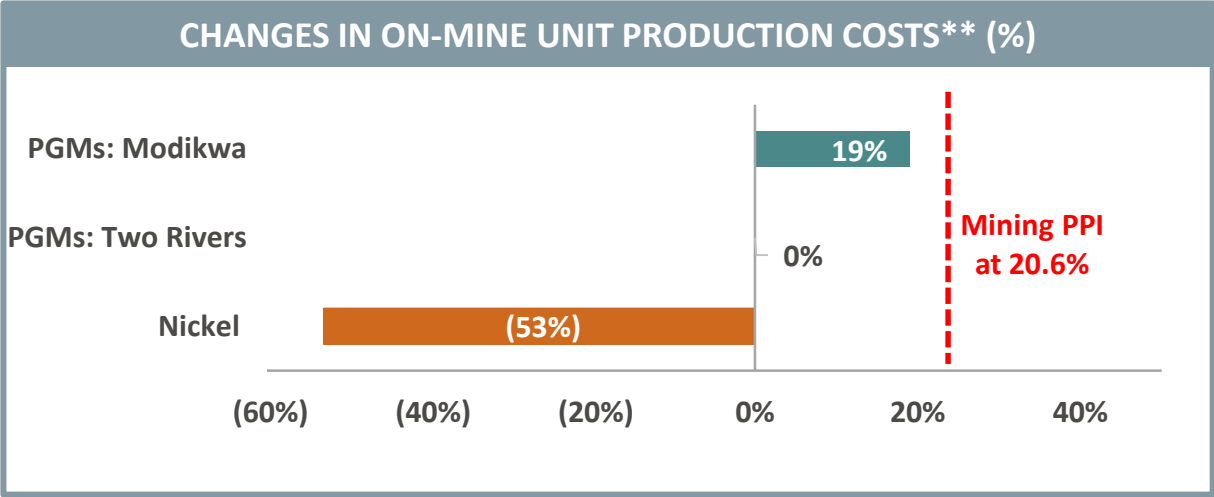
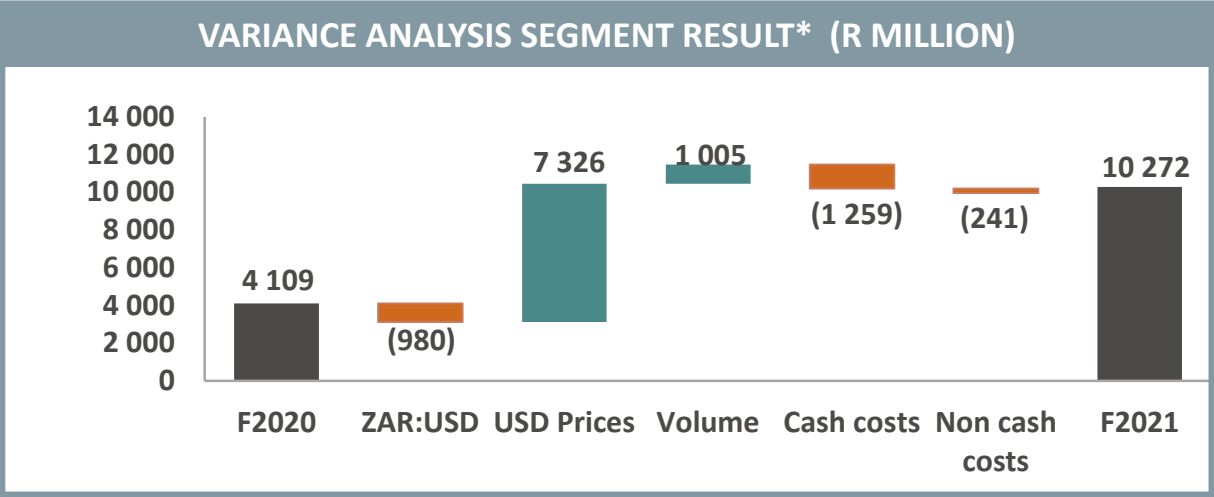
SALIENT FEATURES

- Average realised US dollar prices for high carbon manganese alloys decreased by 12% in F2021.
- Production volumes at Sakura were impacted by multiple transformer failures in January, April and May 2021.
- Unit production costs at Cato Ridge increased by 11% due to lower production volumes, power escalations and variability of ore grade.
- Impairments in Sakura Ferroalloys, Cato Ridge Works and Cato Ridge Alloys were recognised in F2021.

	unit	F2021	F2020	% change
Sales volumes:				
South African operations	000 tonnes	134	107	25
Sakura	000 tonnes	218	216	1
Changes in unit production costs				
Cato Ridge Works	%	11	13	
Change in unit production costs: Sakura	%	1	(23)	

ARM Platinum





■ Increase ■ Decrease

* Excluding Nkomati Mine | ** Nickel on a US dollar cash costs net of by-products basis and PGMs on a rand per 6E ounce basis

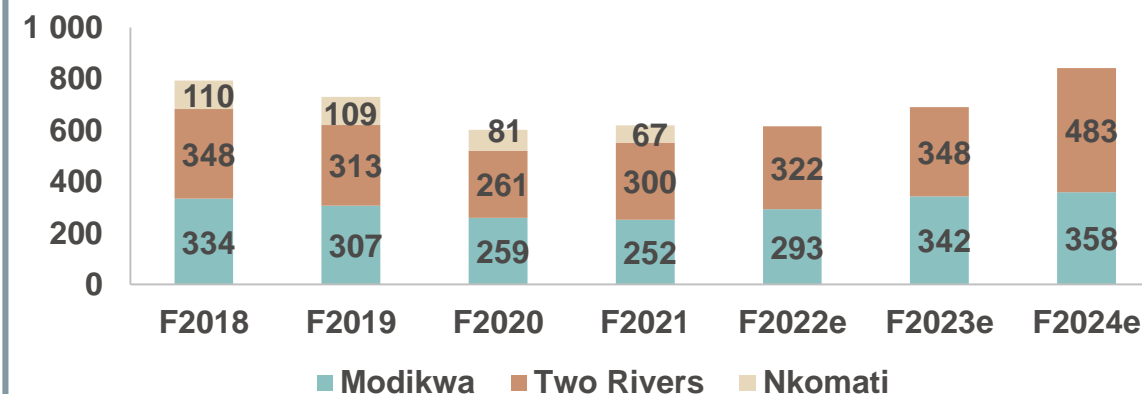
PGMs (100% basis)

SALIENT FEATURES

- Higher US dollar prices resulted in basket prices at both mines increasing by more than 70%.
- Two Rivers Mine production volumes increased by 15% after flotation challenges experienced in F2020 were resolved and Covid-19 restrictions eased.
- Modikwa Mine production volumes decreased by 3%, impacted by Covid-19 restrictions, lower head grade, safety stoppages and industrial action in the first half of the year. Production volumes improved in the second half of the year as these issues were addressed.
- Two Rivers Mine held unit costs flat while Modikwa Mine unit production costs increased by 19% impacted by the lower production volumes and Covid-19 related costs. Unit costs improved in the second half of the year and are expected to continue improving as the mine ramps up production.

	Unit	F2021	F2020	% change
Production	6E PGM ounces	619 071	601 068	3
Modikwa cash cost	R/oz 6E	14 300	11 974	19
Two Rivers cash cost	R/oz 6E	9 893	9 908	-
Capital expenditure	R million	1 941	1 451	34

PGM VOLUMES (THOUSAND OUNCES 6E)



Two Rivers Merensky Project (100% basis)

The ARM, Impala and Two Rivers boards of directors approved the Merensky project at Two Rivers Mine.

Annual steady state production rate of 182 000 ounces 6E, 1 600 tonnes nickel, and 1 300 tonnes of copper, with a life of mine of more than 20 years.

Total capital expenditure for the project is expected to be R5.7 billion to be spent over three years.

Two Rivers Mine is expected to be positioned in the bottom half of the industry cash cost curve.

Progress on Nkomati Mine care and maintenance

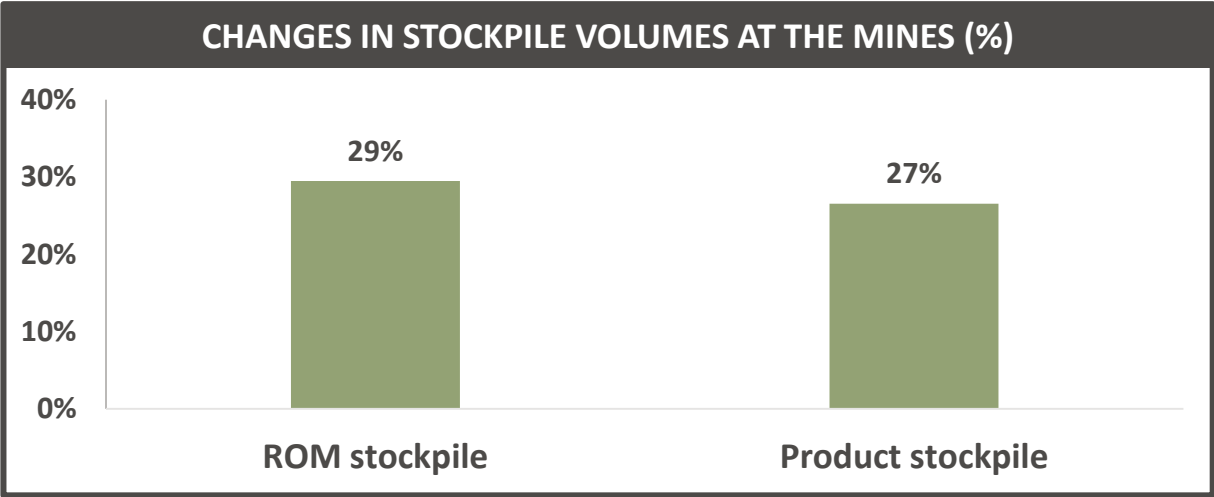
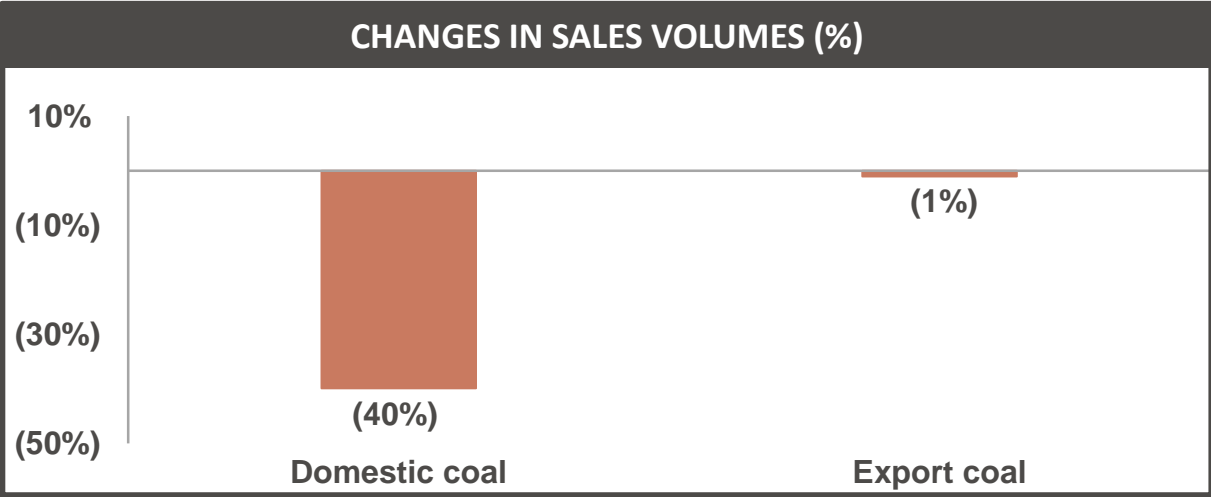
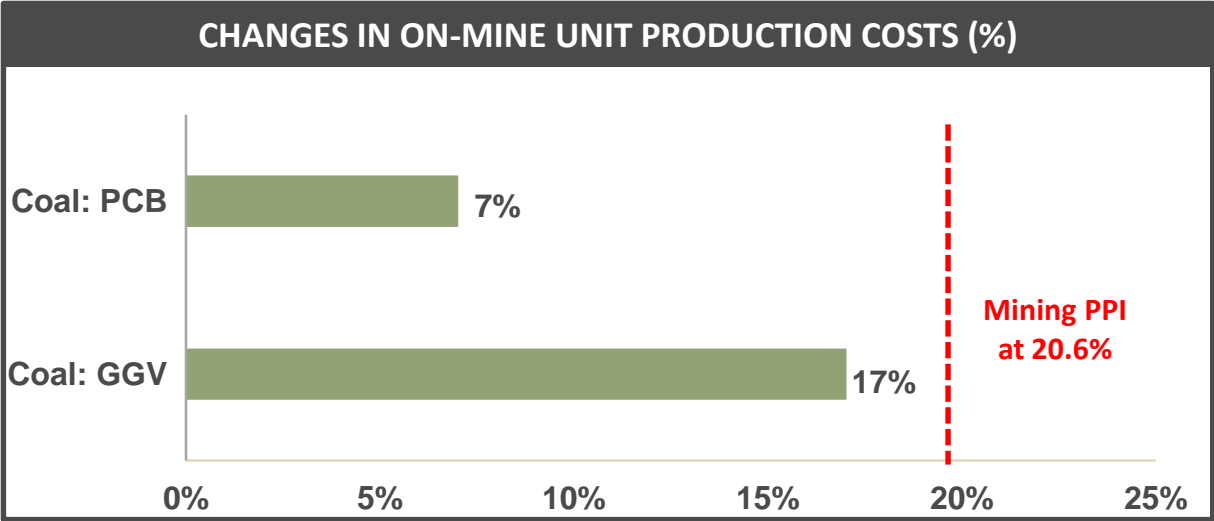
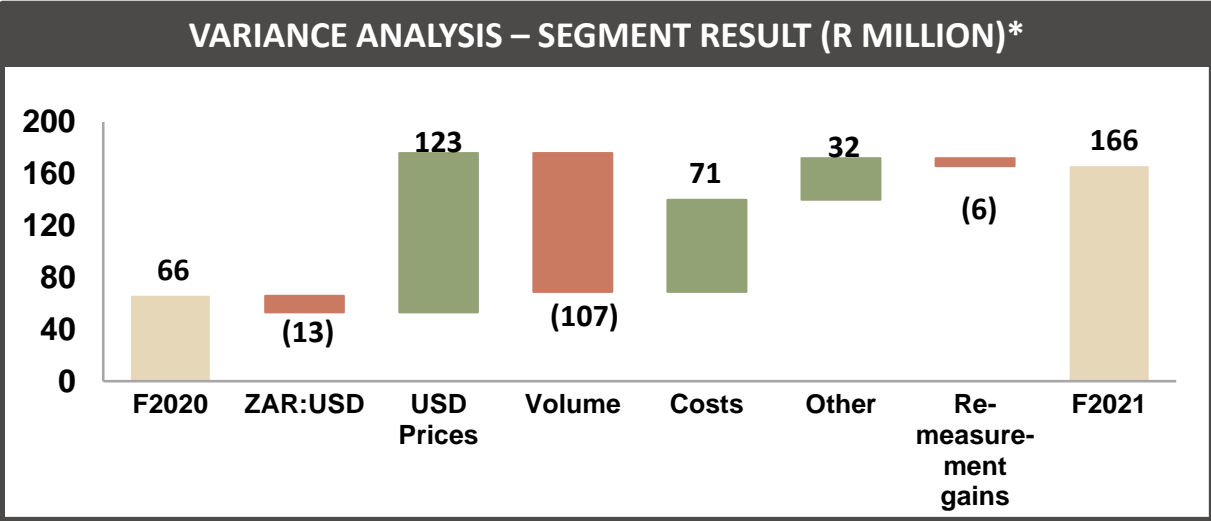
Nkomati Mine was placed on care and maintenance in March 2021 in line with the strategy previously communicated.

The most recent assessment estimates the attributable undiscounted rehabilitation costs at 30 June 2021 to be R679 million (discounted R596 million), which has been fully provided for.

At 30 June 2021, R109 million attributable cash and financial assets are available to fund rehabilitation obligations for Nkomati Mine.

The resulting shortfall of R487 million is expected to be funded by ARM.

ARM Coal



■ Increase ■ Decrease

* Only GGV is included in the segment result analysis

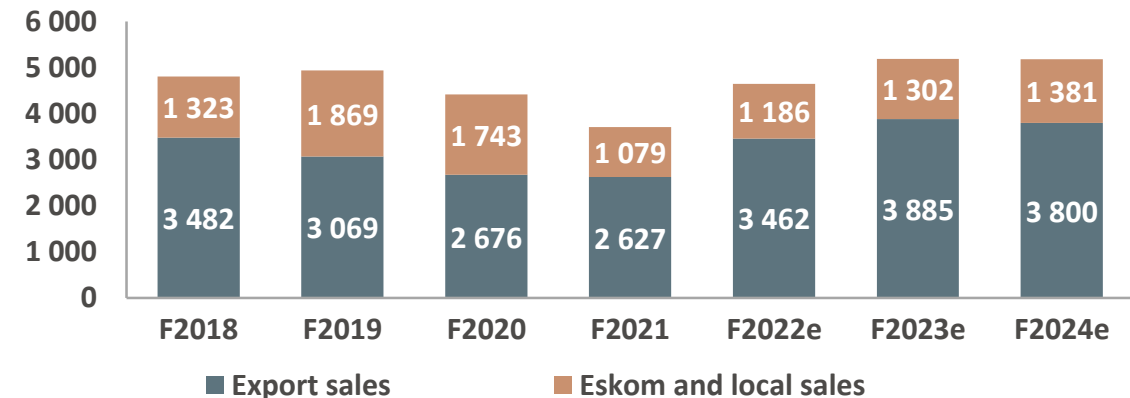
GGV and PCB (100% basis)

SALIENT FEATURES

- Thermal coal prices increased in F2021 due to the global economic recovery and supply shortages.
- Production volumes at both GGV and PCB were impacted by operational challenges experienced by Transnet Freight Rail which resulted in high stockpiles at the end of the period for both GGV and PCB.
- Domestic sales volumes were 40% lower, impacted by reduced demand from Eskom.
- Export sales volumes were 1% lower.

	Unit	F2021	F2020	% change
Export sales volumes	Mt	11.89	12.02	(1)
Domestic sales volumes	Mt	4.80	7.99	(40)
GGV on-mine production costs	R/t	506	431	17
PCB on-mine production costs	R/t	520	484	7
Capital expenditure (GGV)	Rm	1 011	757	33
Capital expenditure (PCB)	Rm	1 226	2 286	(46)

ARM COAL SALES VOLUMES (ATTRIBUTABLE) (THOUSAND TONNES)

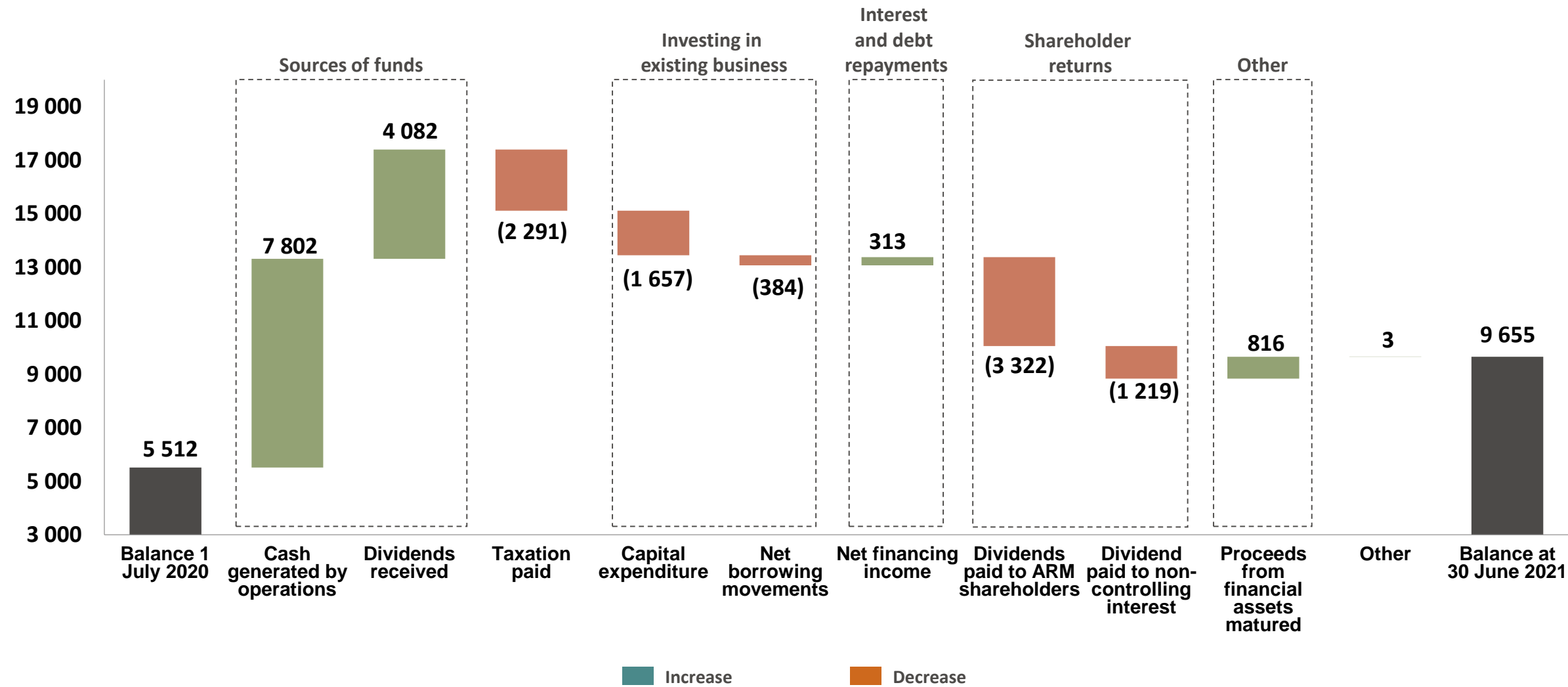


Capital allocation

Finance Director:
Tsundzukani Mhlanga

MILLING AREA
WHEN PLANT IS
OPERATING
Working noise levels between
85 dB(A) - 95 dB(A)

Cash flow analysis* (R million)



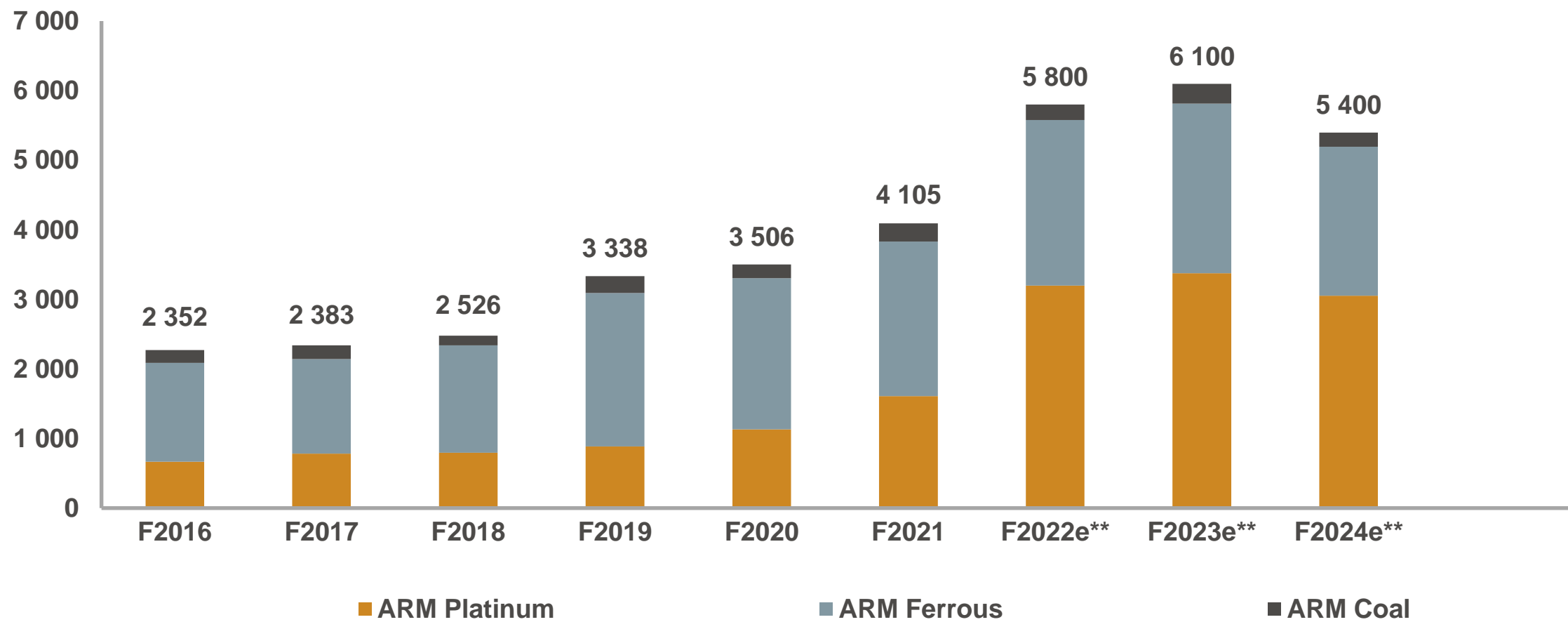
*Excludes ARM attributable cash and cash equivalents at Assmang.

Net cash and debt (R million)

	30 June 2021	Restated 30 June 2020
Cash and cash equivalents *	9 671	5 715
Total borrowings	(1 469)	(1 978)
Long-term borrowings	(1 105)	(1 565)
Short-term borrowings	(364)	(413)
Net cash*	8 202	3 737
Total equity	43 776	34 108
Net cash to equity ratio	18.7%	11.0%
<i>Add back:</i> Partner loans	1 014	1 083
ARM Coal loans	1 014	1 016
Modikwa loan from Anglo Platinum	-	67
<i>Add back:</i> ARM BBEE Trust loans (Harmony)	217	316
<i>Add back:</i> Financial assets	716	1 539
Adjusted net cash	10 149	6 675
Attributable cash and cash equivalents at Assmang	4 099	3 208

* Excludes ARM attributable cash and cash equivalents at Assmang of R4 099 million as at 30 June 2021 (30 June 2020: R3 208 million).

Segmental capital expenditure* (R million)



* Capital expenditure includes (i) deferred stripping, (ii) financed fleet replacement, and (iii) sustaining capital expenditure but excludes Sakura Ferroalloys Capex.

** The forecasted capital expenditure for F2022e to F2024e is an estimation based on approved projects and projects under consideration. The Two Rivers Merensky Project is included in the above segmental capital expenditure.

Summary of re-measurement and fair value gains / (losses) (R million)

	F2021	F2020
ARM Mining Consortium (Modikwa)	(119)	(112)
ARM Mining Consortium (Modikwa) - intercompany	(137)	(127)
Anglo American Platinum	(6)	(8)
Non-controlling interest	24	23
ARM Coal	242	485
Goedgevonden Mine	206	206
PCB operations	36	279
ARM Corporate and other	31	68
ARM Mining Consortium (Modikwa) - intercompany	137	127
ARM BBEE Trust	47	-
ARM Coal	(153)	(59)
ARM Group	154	441

Thank you