



Provisional results for the financial year ended 30 June 2022

1 September 2022



we do it better

“

ARM’s quality diversified portfolio enabled us to improve our financial position despite lower prices for iron ore and platinum group metals (PGMs).

Net cash increased from R8.2 billion to R11.2 billion and we declared a final dividend of R20.00 per share.

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.



Modikwa Mine

Overview of results

Dr Patrice Motsepe
Executive Chairman

Headline earnings decreased by 13%

ARM Ferrous headline earnings



16% to

R6.7 billion

(F2021: R7.9 billion)

ARM Platinum headline earnings



34% to

R3.1 billion

(F2021: R4.7 billion)

ARM Coal headline earnings

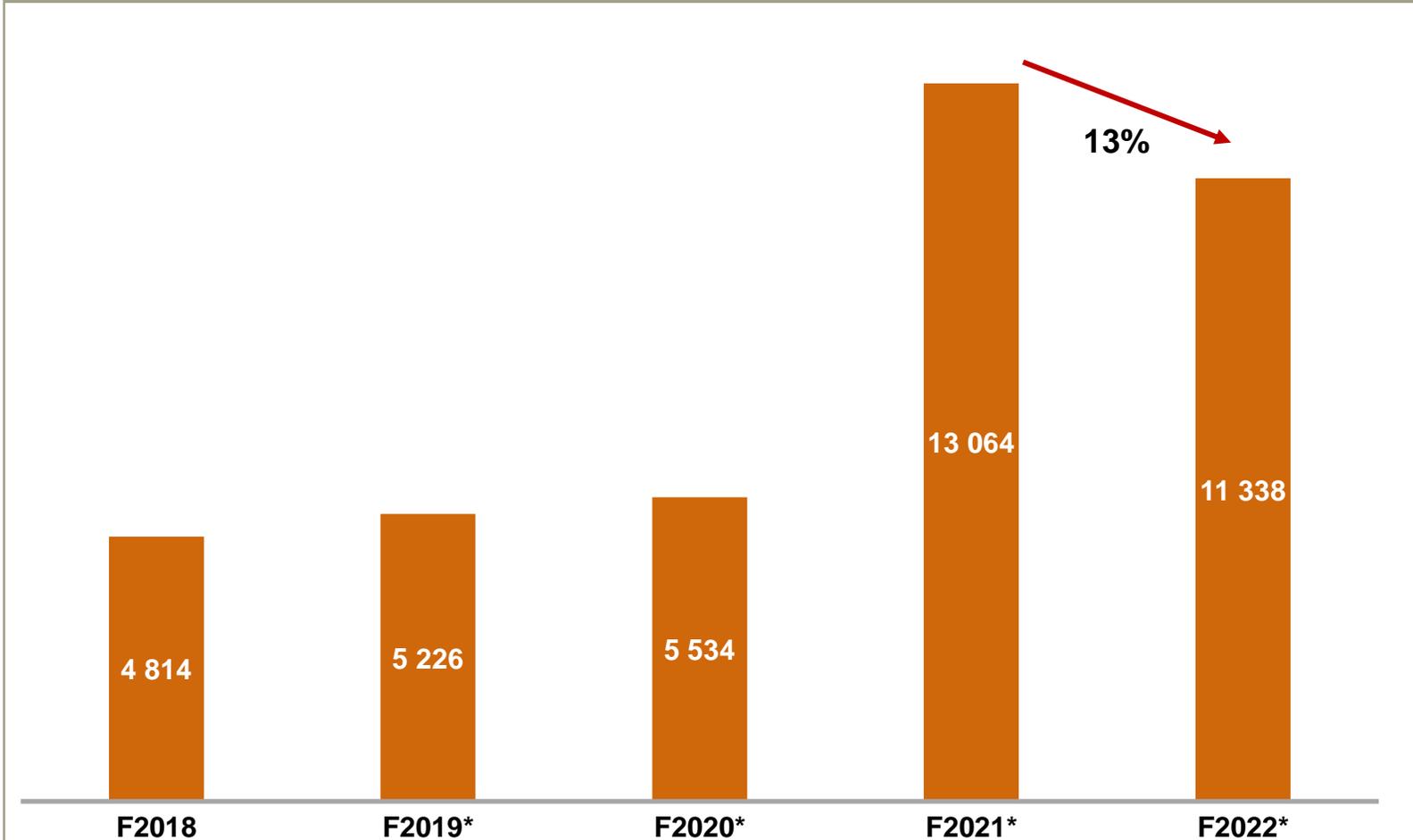


by R1.2 billion to

R928 million

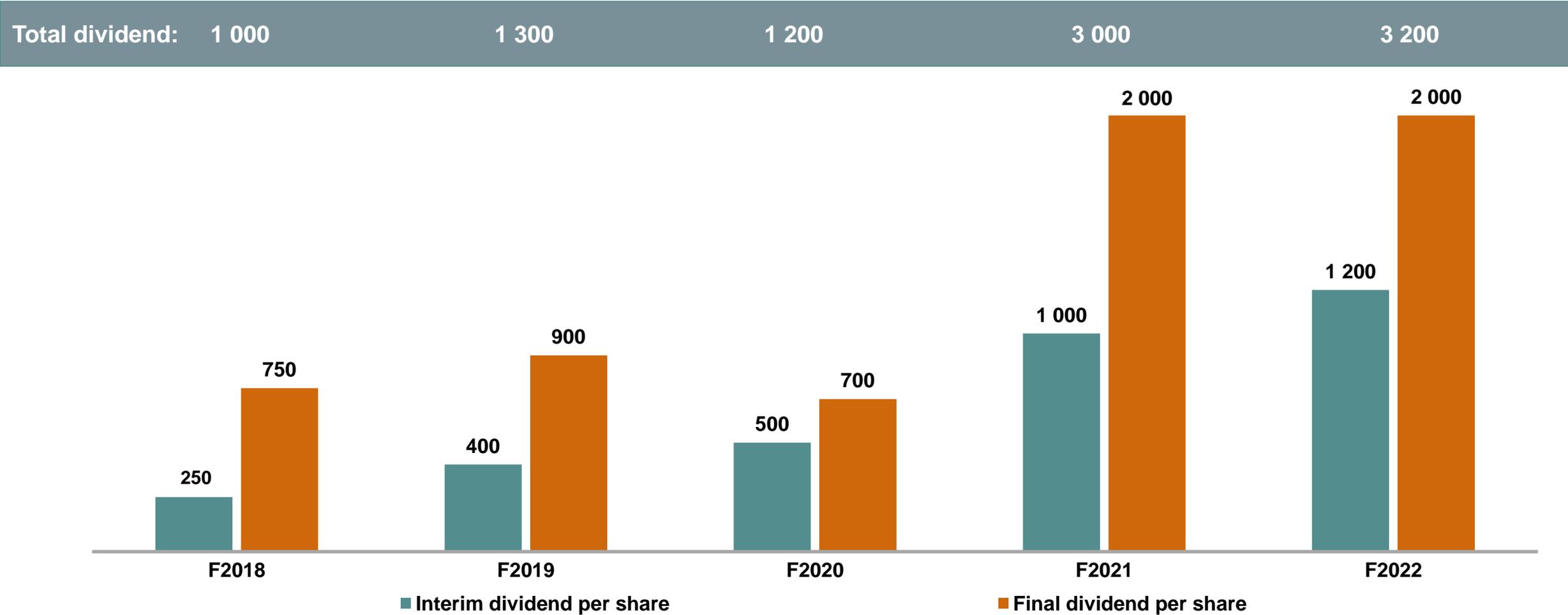
(F2021: R250 million loss)

Group headline earnings (R million)



* The F2019 to F2022 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 45 of this presentation.

Dividends per share (cents)



We are committed to paying dividends whilst pursuing quality growth and maintaining a robust financial position.

Dividends received

Dividends received from Assmang



38% to R5.5 billion

(F2021: R4.0 billion)

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

Dividends received from Two Rivers Mine



13% to R1.2 billion

(F2021: R1.4 billion)

Dividends received from Modikwa Mine



245% to R1.0 billion

(F2021: R290 million)

Dividend declared as a % of dividends received from underlying operations

88%

F2021: 113%

Lost Time Injury Frequency Rate (LTIFR)*



24% to 0.31
(F2021: 0.41)

* LTIFR per 200 000-man hours

Total Recordable Injury Frequency Rate (TRIFR)**



15% to 0.69
(F2021: 0.81)

** TRIFR includes the number of fatal injuries, number of lost time injuries and number of medical cases

Fatalities

2 fatalities

one at Two Rivers Mine and
one at Modikwa Mine

(F2021: 2 fatalities at Modikwa Mine)

Safety highlights

Black Rock Mine

achieved **10 million**
fatality-free shifts over
13 years

Beeshoek Mine

achieved **5 million**
fatality-free shifts over
18 years

We remain committed to creating and maintaining a safe and healthy working environment.

STRATEGY

**DELIVER COMPETITIVE
RETURNS AND CREATE
SUSTAINABLE VALUE
FOR ALL STAKEHOLDERS**

Operate
our portfolio
of assets safely,
responsibly and
efficiently

Allocate capital
to value-creating
investments

Focus on
value-enhancing
and integrated
growth

Owner-operator

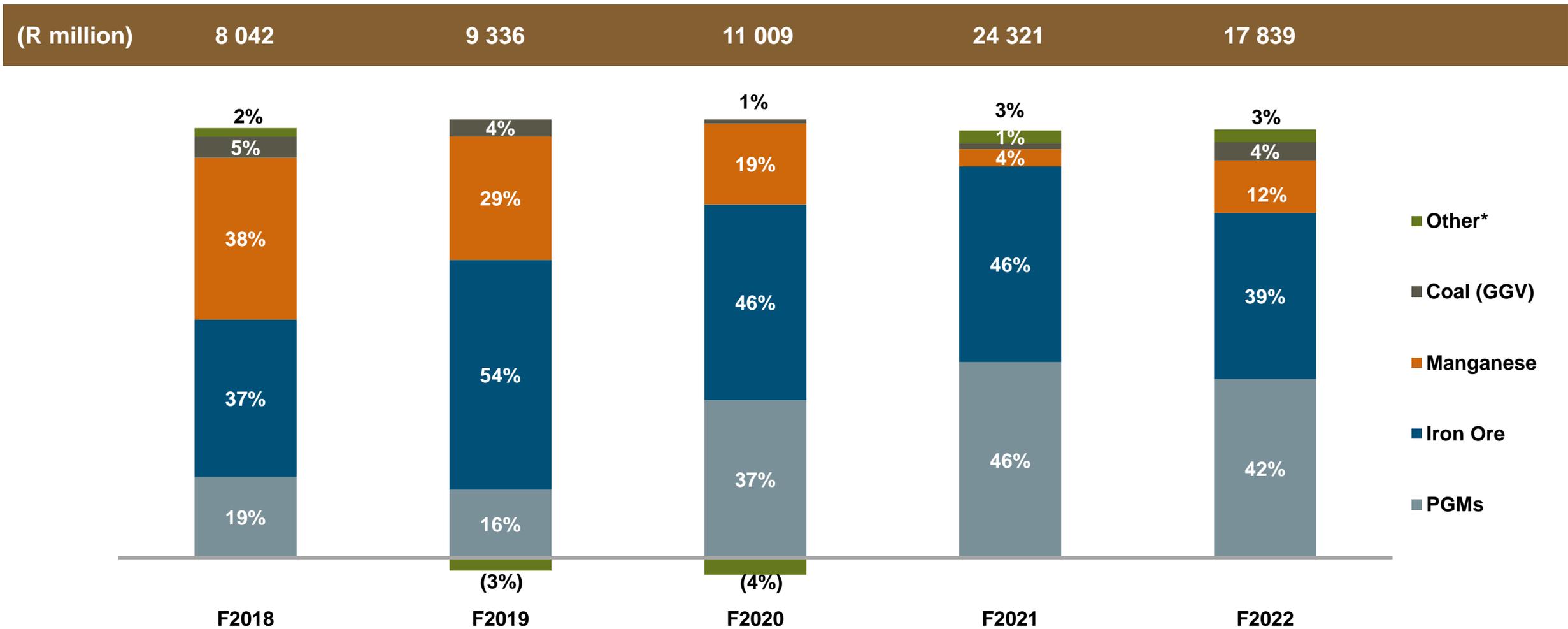
Entrepreneurial
management

Investing in
our employees

Partnering with
communities and
other stakeholders

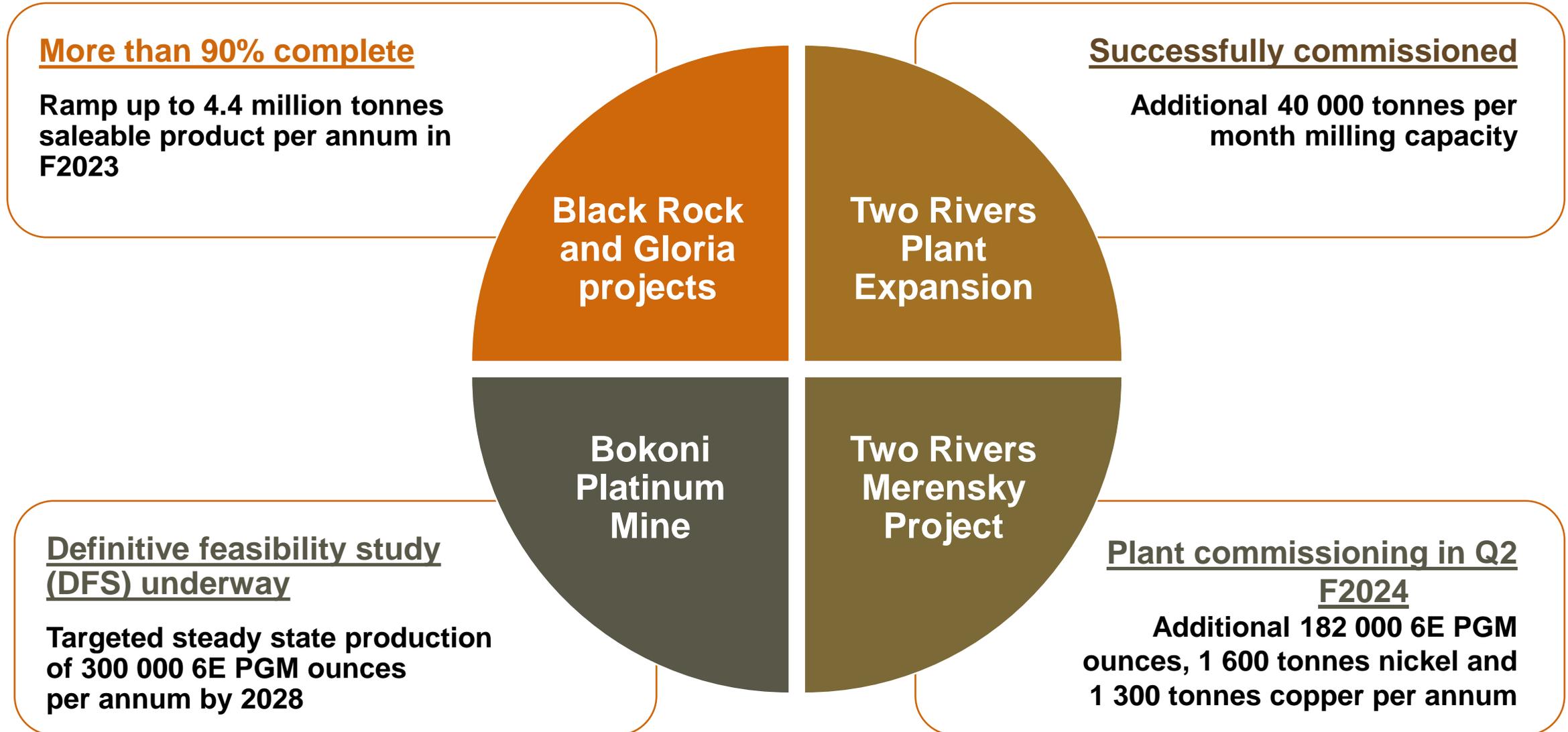
Application of
innovative technology

Segmental EBITDA split by commodity (%)



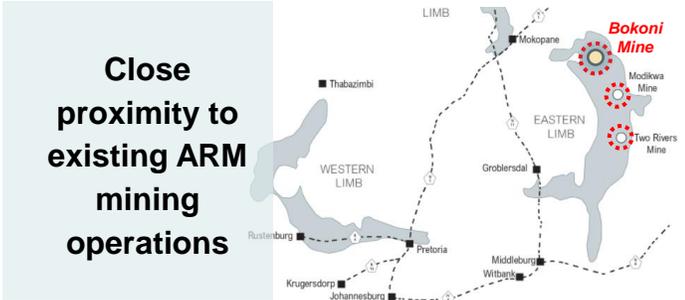
Significant segmental EBITDA contribution from PGMs and iron ore

Current and future growth projects

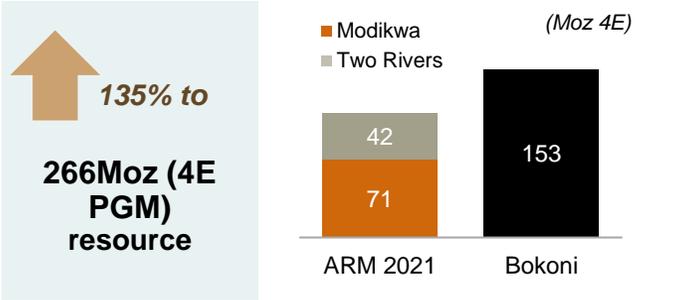


Bokoni is a significant value creating opportunity for ARM

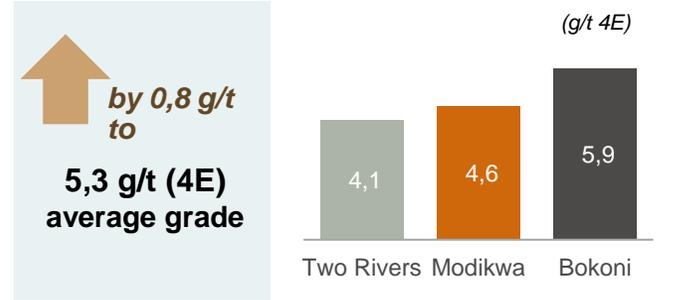
Attractive Eastern Limb portfolio



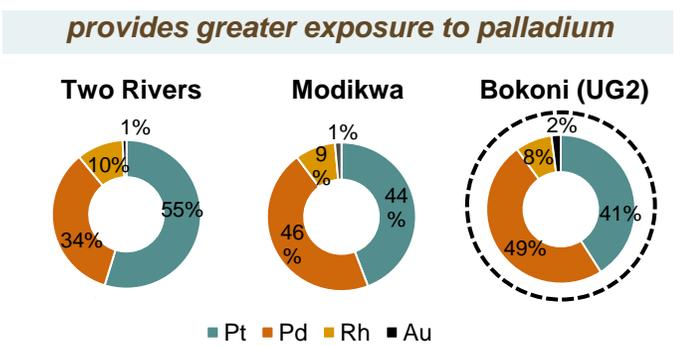
Substantially increased resource base (100% basis)



Strong improvement to portfolio Mineral Resource grade



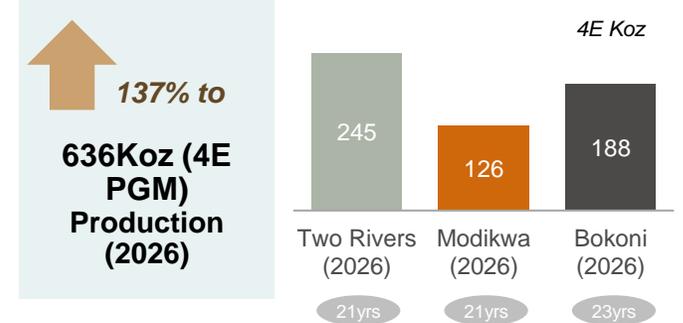
An attractive UG2 4E prill split



Lowers ARM's cost curve position

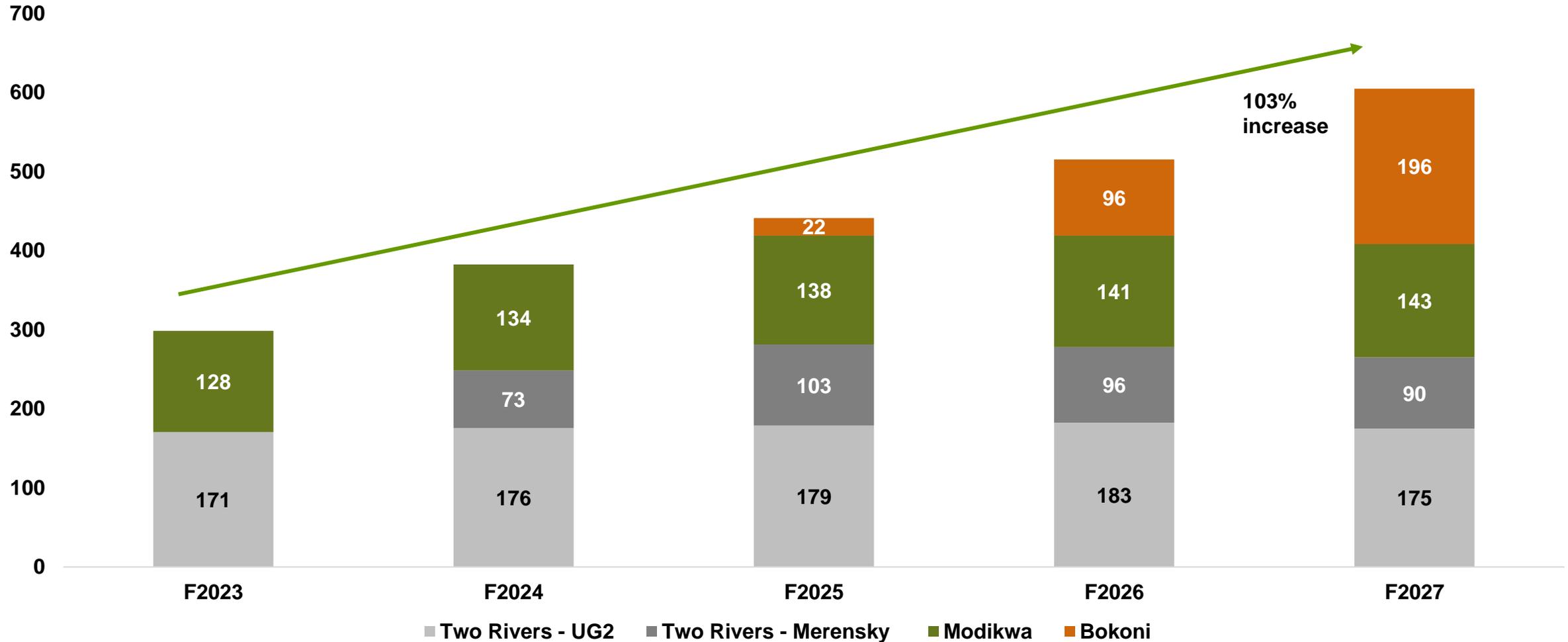


Enhances ARM's attributable production base and life of mine



Expected attributable production in 2026 terms
Includes additional production ounces anticipate from growth projects

Strong PGM growth (thousand ounces 6E – attributable to ARM)



The acquisition and development of Bokoni Platinum Mine as well as the development of the Two Rivers Merensky Project provides over 100% growth in ARM's attributable PGM 6E ounce profile over the next 5 years.

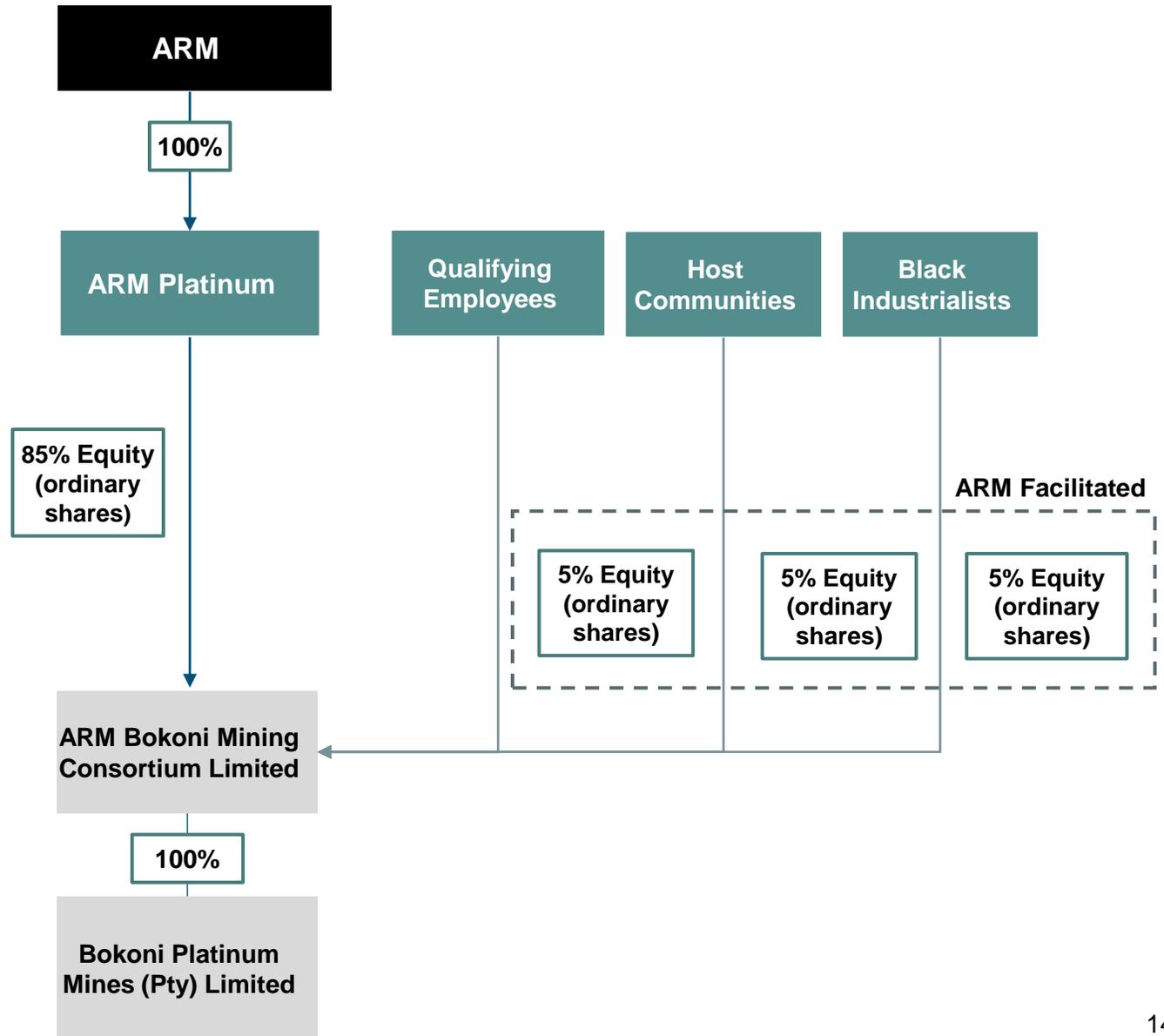
Creating multi-stakeholder value through the Bokoni Mine acquisition

ARM has over many decades partnered with various stakeholders to create value and benefit all stakeholders.

The development of Bokoni Mine will allow ARM to create sustainable value for a broad range of stakeholders including local communities, employees and black industrialists who will together own 15% of the mine.

As we build and operate Bokoni Mine, we will create approximately 5 000 jobs of which 2 500 will be permanent.

The acquisition and development of Bokoni Platinum Mine will enable us to scale our PGM portfolio, improve ARM's global competitiveness and allow us to pursue further value accretive organic growth.



Community social investment by the operations (100% basis)

R151 million

(F2021: R170 million)

Enterprise and supplier development by the operations (100% basis)

- 1 792 jobs sustained
- 372 jobs created
- 192 SMEs supported
- SMEs developed

ARM Mining Consortium dividend to communities

ARM Mining Consortium declared a R255 million dividend to communities neighboring the Modikwa Mine. These communities have an effective 8.5% shareholding in Modikwa Mine through ARM Mining Consortium.

(F2021: R71 million)

Responsible environmental management

Carbon emissions



8% to 0.9 mtCO₂e

(F2021: 1.0 mtCo₂)

Progress on decarbonisation

Agreements signed* to build a 100MW solar plant to power ARM's platinum operations.

* Agreements signed are subject to certain conditions precedent.

Water withdrawn



13% to 17.3 million m³

(F2021: 20.0 million m³)

Management of tailings storage facilities

Implementation of global industry standard on tailings management (GISTM) progressing on schedule

Responsible environmental, social and governance management are integral to ARM's strategic priorities to operate safely, responsibly and efficiently.



Khumani Mine

Operational review

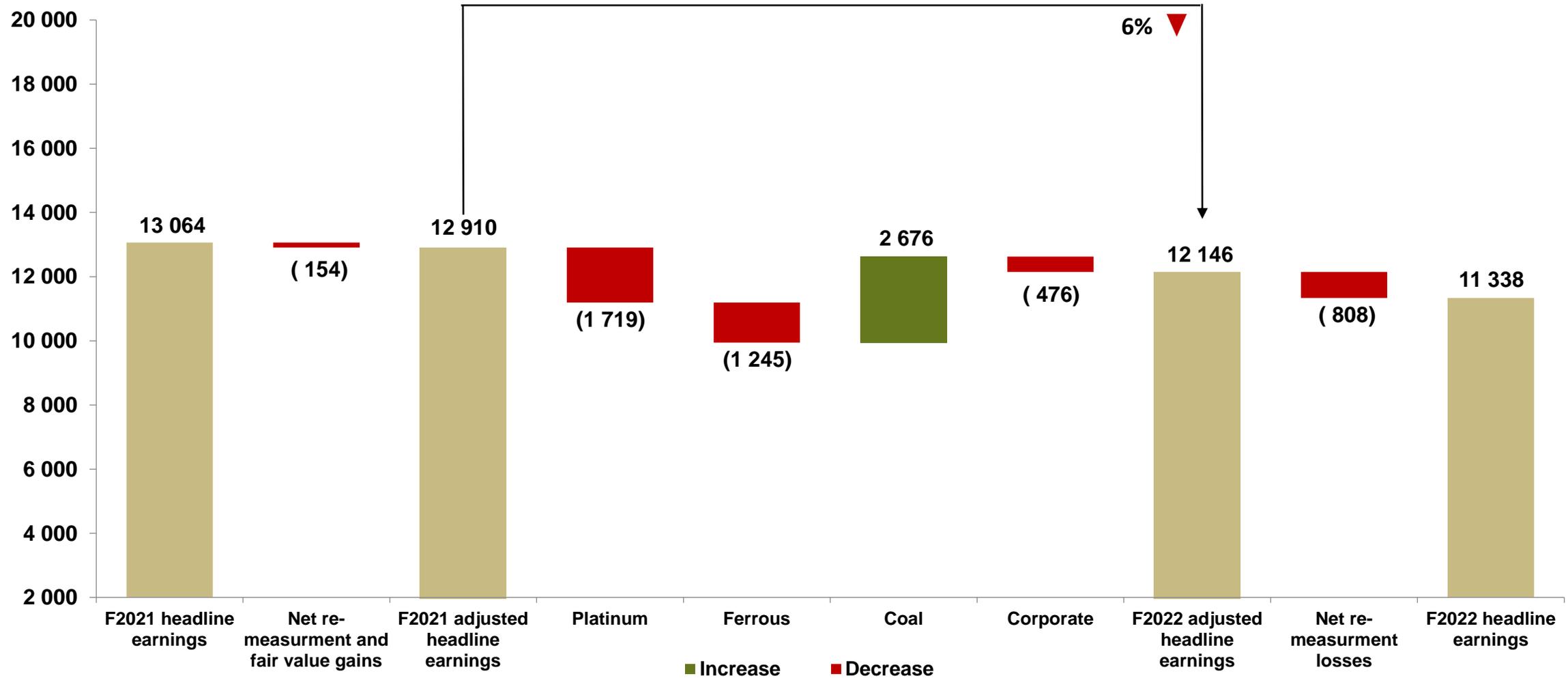
**Chief Executive Officer:
Mike Schmidt**

Headline earnings/(loss) by division / operation (R million)

	F2022	F2021	% change
ARM Ferrous	6 682	7 927	(16)
Iron ore division	4 654	7 522	(38)
Manganese division	2 068	448	>200
Consolidation adjustment and other	(40)	(43)	7
ARM Platinum	3 066	4 666	(34)
Two Rivers Mine	1 968	2 972	(34)
Modikwa Mine	1 270	1 529	(17)
Nkomati Mine	(172)	165	(204)
ARM Coal*	928	(250)	
Goedgevonden (GGV) Mine*	(5)	10	(150)
PCB Operations*	933	(260)	
ARM Corporate and other	662	721	(8)
Corporate and other (including Gold)	826	828	-
Machadodorp Works	(164)	(107)	(53)
Headline earnings	11 338	13 064	(13)

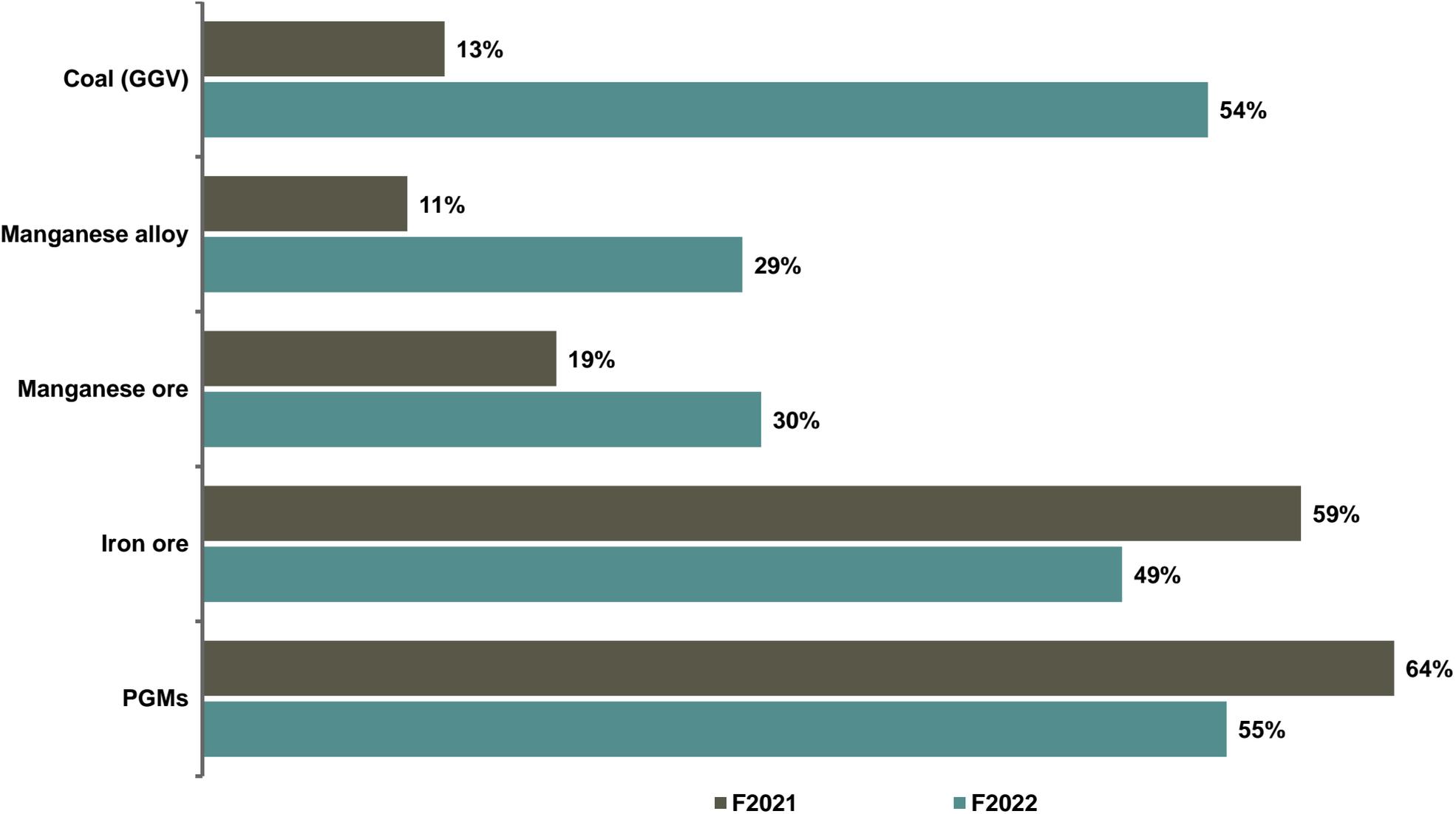
*R766 million re-measurement loss is included in the GGV headline earnings. Re-measurement losses of R490 million are included in PCB headline earnings. Refer to slide 36 for ARM Coal adjusted headline earnings.

Headline earnings variance analysis (R million)



Adjusted headline earnings exclude re-measurement gains and losses for the period. The table on slide 45 summarises these gains and losses for the current and corresponding financial periods. The adjusted headline earnings are included for illustrative purposes and have been considered by the board of directors. The adjusted headline earnings 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.

EBITDA margins by commodity (%)*



*Excludes any re-measurement adjustments 20

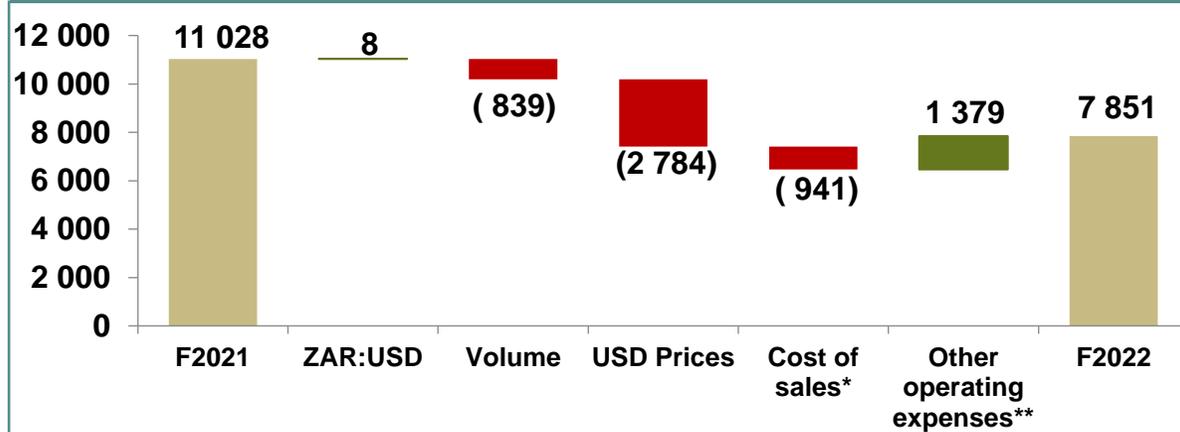


Black Rock Mine

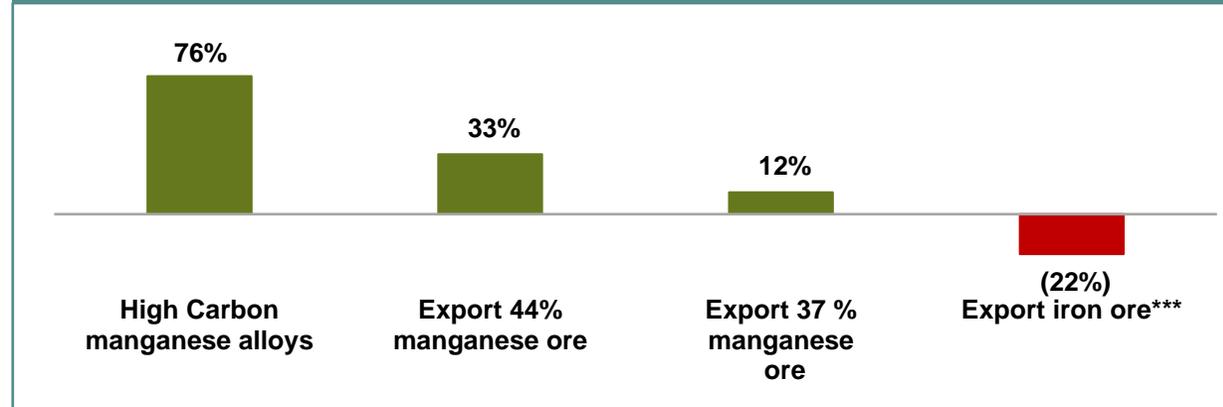
ARM Ferrous

we do it better

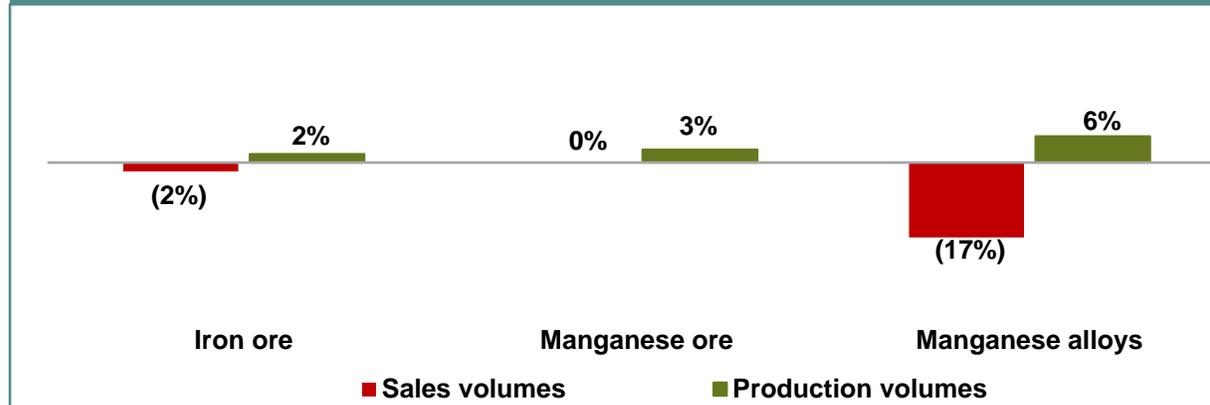
Variance analysis – segment result (R million)



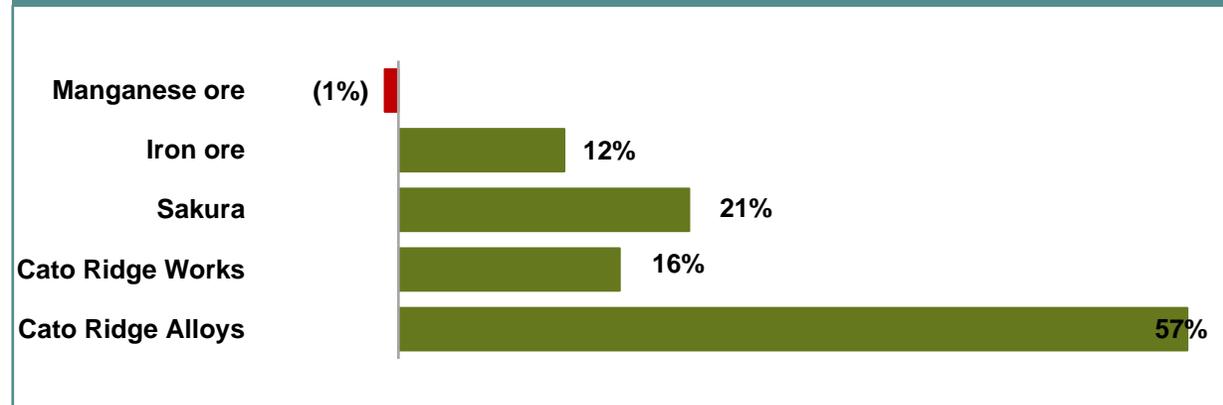
Changes in average US Dollar INDEX prices (%)



Changes in sales and production volumes (%)****



Changes in on-mine unit production costs (%)



■ Increase

■ Decrease

*Includes freight cost | ** Includes movements of foreign exchange gains of R710 million, lower mineral royalty tax of R358 million and lower management fees of R144 million | ***Average realised iron ore price on an FOB equivalent basis | **** External sales only

Iron ore (100% basis)

Average realised US dollar export prices decreased by 22% as Chinese steel output came under pressure.

On-mine unit cash costs increased by 12% due to lower production volumes at Beeshoek Mine and above inflation increases in the costs of explosives, diesel and maintenance.

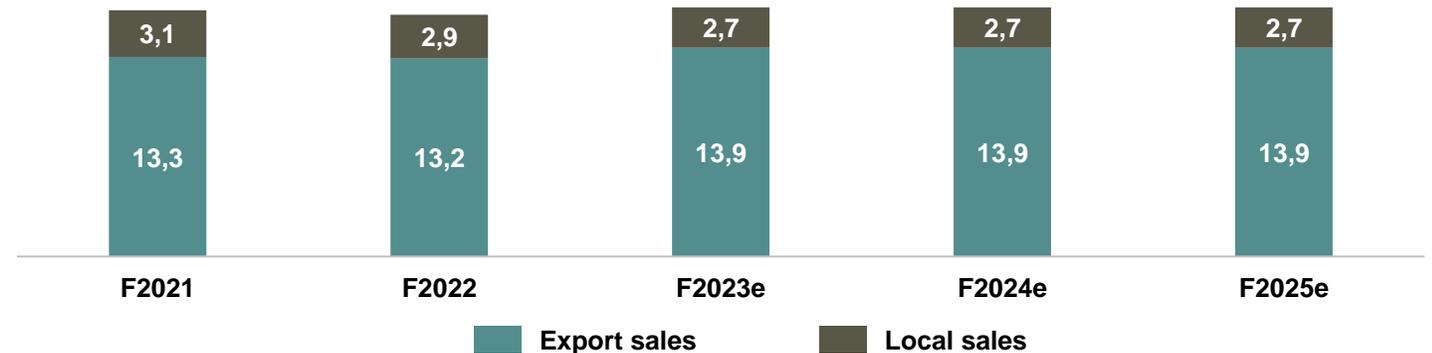
Sales volumes were impacted by logistical challenges. Engagement with Transnet to address these challenges is ongoing.

Security of water supply at Khumani Mine remains a concern and is being addressed through continuing collaboration with stakeholders in the region.

Operational performance

	unit	F2022	F2021	% change
Export sales volumes	000 tonnes	13 176	13 269	(1)
Local sales volumes	000 tonnes	2 888	3 148	(8)
Export sales lump:fines ratio		60:40	58:42	
Change in on-mine production unit cash costs	%	12	13	
Change in on-mine cash unit costs	%	10		
Change in unit cost of sales	%	8	16	
Capital expenditure	R million	2 890	2 397	21

Sales volumes (million tonnes)



Manganese ore (100% basis)

The average US dollar index price for 44% manganese ore increased by 33%.

Despite above inflation increases to a number of key inputs including diesel and explosives, the Black Rock Mine achieved a 1% decrease in on-mine unit production costs.

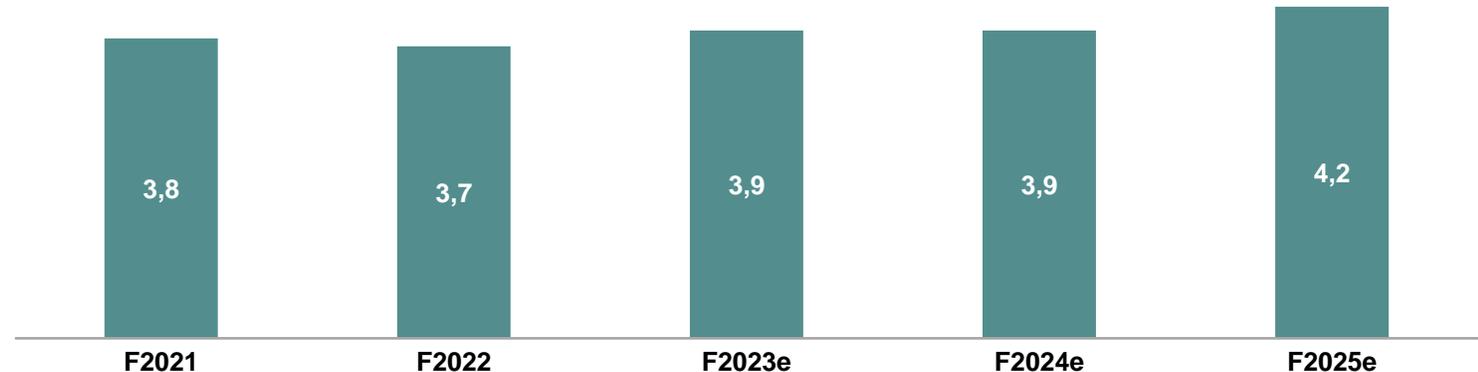
Export sales volumes were negatively impacted by operational challenges at Transnet. Engagement with Transnet to address these challenges is ongoing.

More than 90% of the capital for the Black Rock and Gloria projects has been committed. Ramp-up of the projects is being synchronized with Transnet's rail availability.

Operational performance

	unit	F2022	F2021	% change
Export sales volumes	000 tonnes	3 666	3 823	(4)
Local sales volumes	000 tonnes	291	143	103
Change in on-mine production unit cash costs	%	(1)	18	
Change in unit cost of sales	%	13	8	
Capital expenditure	R million	2 133	2 060	4

Export sales volumes (million tonnes)



Manganese alloys (100% basis)

US dollar index price for high carbon and medium carbon ferromanganese increased by 76% and 101% respectively.

The impact of the transformer failures at Sakura negatively impacted sales volumes for F2022.

The decrease in manganese alloy sales was mainly due to shipping constraints and the decrease in demand in the second half of the year.

Production costs increased due to significant increases in ore and reductant prices, as well as above inflation power escalations

Operational performance

	unit	F2022	F2021	% change
Sales Volumes:				
South African operations	000 tonnes	99	134	(26)
Sakura	000 tonnes	192	218	(12)
Production Volumes:				
Cato Ridge Works production	000 tonnes	119	124	(4)
Cato Ridge Alloys production	000 tonnes	56	48	17
Sakura production	000 tonnes	211	191	10
Changes in unit production costs				
Cato Ridge Works	%	16	11	
Sakura	%	21	1	

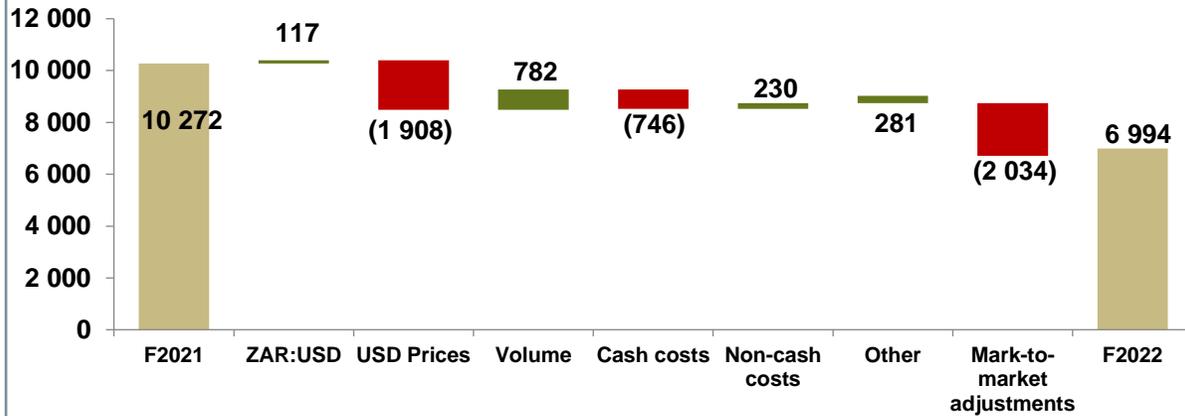


Two Rivers Mine

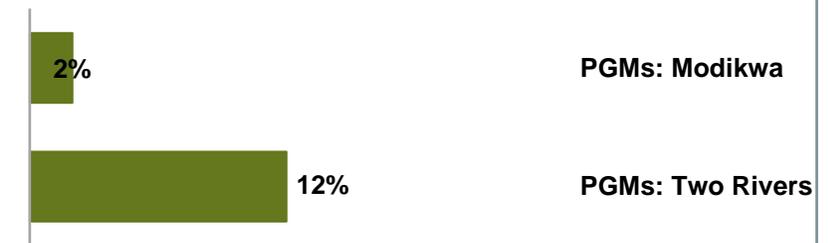
ARM Platinum

we do it better

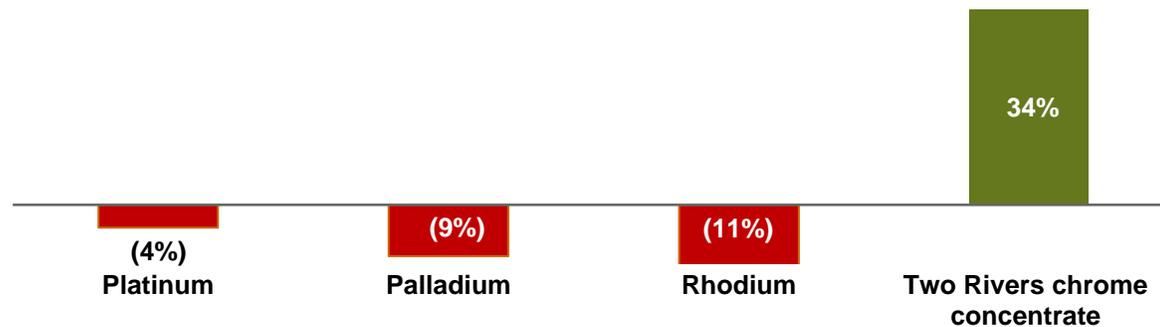
Variance analysis segment result* (R million)



Changes in operating costs** (%)

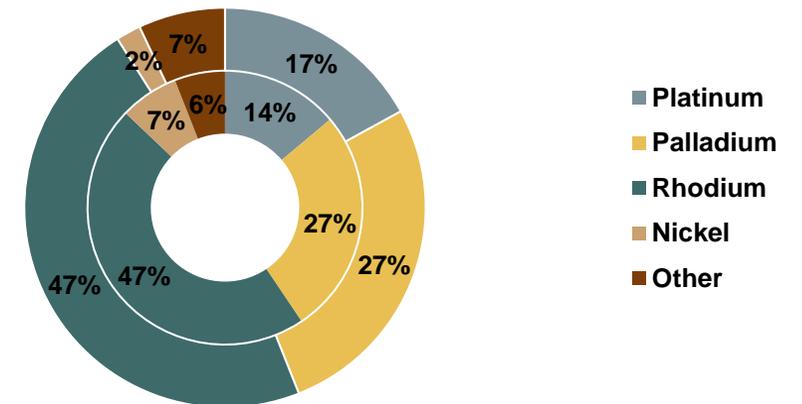


Changes in average realised US Dollar prices (%)



Revenue contribution per commodity (%)

F2021 in the inner circle



■ Increase ■ Decrease

* Excluding Nkomati Mine | ** PGMs on a rand per 6E ounce basis

PGMs (100% basis)

The US dollar PGM basket price was lower driven mainly by a drop in rhodium prices. The declining prices also resulted in negative mark-to-market adjustments.

Production volumes at Modikwa Mine increased by 17%, driving a below inflation increase in operating production costs per ounce.

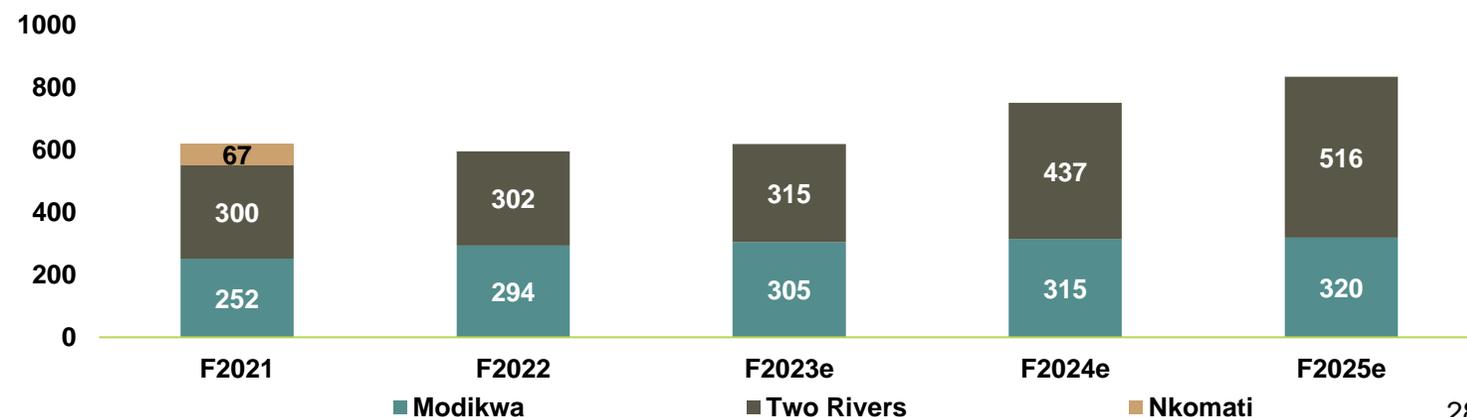
Production volumes at Two Rivers Mine were negatively impacted by a safety stoppage in September 2021 and grade challenges.

The Two Rivers Plant Expansion Project (adding 40 000 tonnes per month milling capacity) was successfully commissioned while the Merensky Project is progressing well.

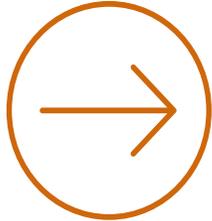
Operational performance

	unit	F2022	F2021	% change
Modikwa production volumes	6E PGM ounces	294 541	251 755	17
Two Rivers production volumes	6E PGM ounces	301 935	300 172	1
Total production volumes	6E PGM ounces	596 476	551 927	8
Modikwa operating costs	R/oz 6E	14 644	14 300	2
Two Rivers operating costs	R/oz 6E	11 116	9 893	12
Capital expenditure	R million	2 512	1 941	29

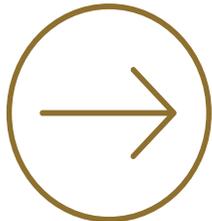
PGM Volumes (thousand ounces 6E)



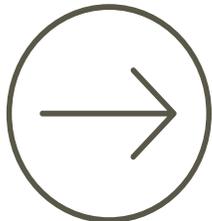
PGM Mark-to-market adjustments



The sales price of PGM concentrate is determined on a provisional basis at the date of sale. Adjustments are made to the sales price based on movements in the discounted forward commodity prices up to the date of final pricing.



Where there are any differences between the provisional and final commodity prices after the reporting period end, the next reporting period's earnings will be impacted by a mark-to-market adjustment.



Two Rivers and Modikwa mines recognised R709 million and R231 million in realised mark-to-market losses respectively, as rhodium and palladium prices declined sharply in the first three months of the year.

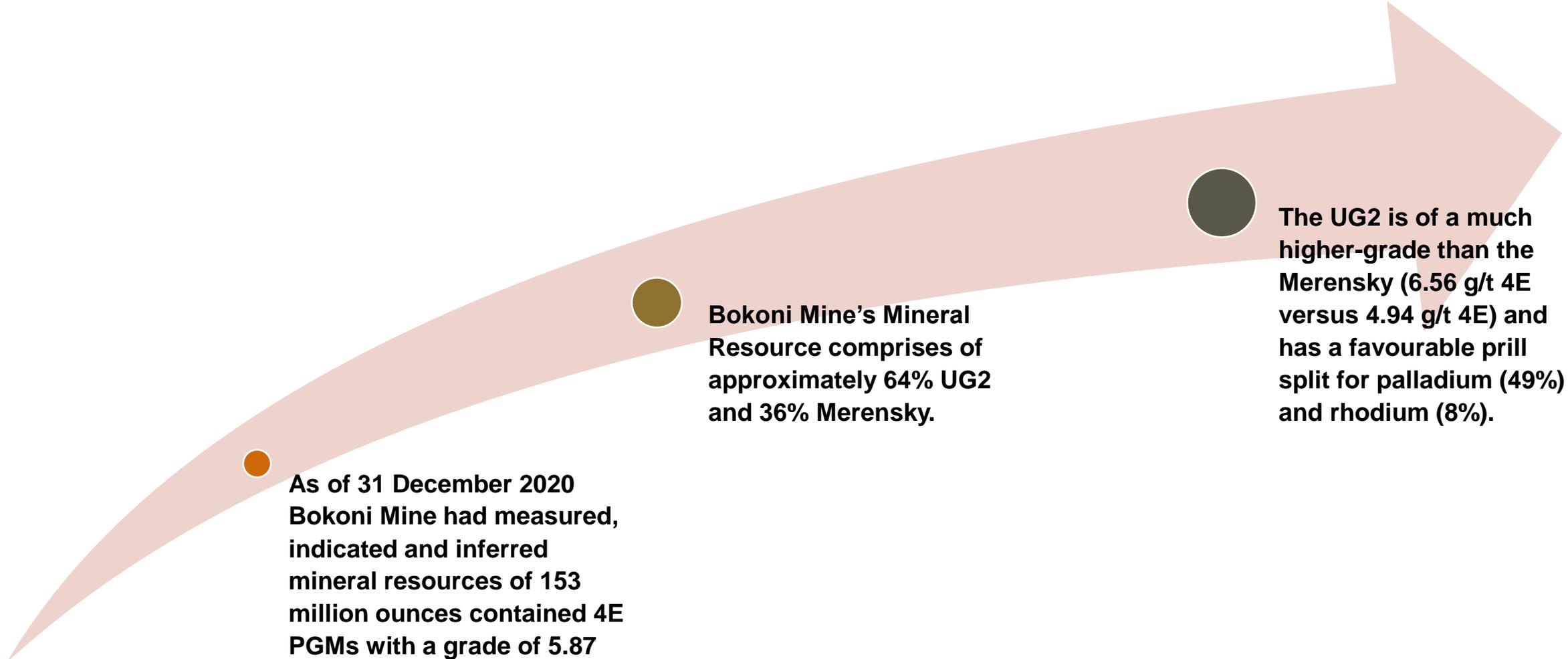
Mark-to-market adjustments (R million)

Two Rivers Mine	F2022	F2021
Realised mark-to-market adjustments*	(505)	1 259
Provisional sales value	10 696	8 856
Final sales value	10 191	10 115
Unrealised mark-to-market adjustments	(203)	(464)
Initial provisional sales recognition	1 967	2 611
Period end provisional sales recognition	1 764	2 147
Total mark-to-market adjustments	(709)	795

Modikwa Mine	F2022	F2021
Realised mark-to-market adjustments*	(165)	468
Provisional sales value	4 860	3 784
Final sales value	4 695	4 252
Unrealised mark-to-market adjustments	(65)	(169)
Initial provisional sales recognition	1 181	1 458
Period end provisional sales recognition	1 116	1 289
Total mark-to-market adjustments	(231)	299

*Average rhodium and palladium prices decreased by approximately 3% and 8% respectively from the date of provisional recognition to final price realisation, which together with movements in other PGM commodity prices, resulted in the realised mark-to-market adjustments.

Bokoni is a large high-grade opportunity



As of 31 December 2020 Bokoni Mine had measured, indicated and inferred mineral resources of 153 million ounces contained 4E PGMs with a grade of 5.87 g/t.

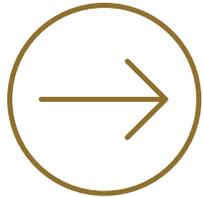
Bokoni Mine's Mineral Resource comprises of approximately 64% UG2 and 36% Merensky.

The UG2 is of a much higher-grade than the Merensky (6.56 g/t 4E versus 4.94 g/t 4E) and has a favourable prill split for palladium (49%) and rhodium (8%).

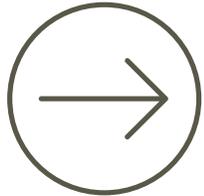
Nkomati Mine update



Nkomati Mine remains on care and maintenance while ARM and its joint venture partner are considering various options for the future of the mine.



At 30 June 2022 the estimated undiscounted rehabilitation costs attributable to ARM were determined to be R771 million (30 June 2021: R679 million). The increase is mainly due to annual escalation increases.



At 30 June 2022, R178 million (attributable to ARM) in cash and financial assets were available to fund the rehabilitation obligations. The shortfall of R498 million is expected to be funded by ARM.



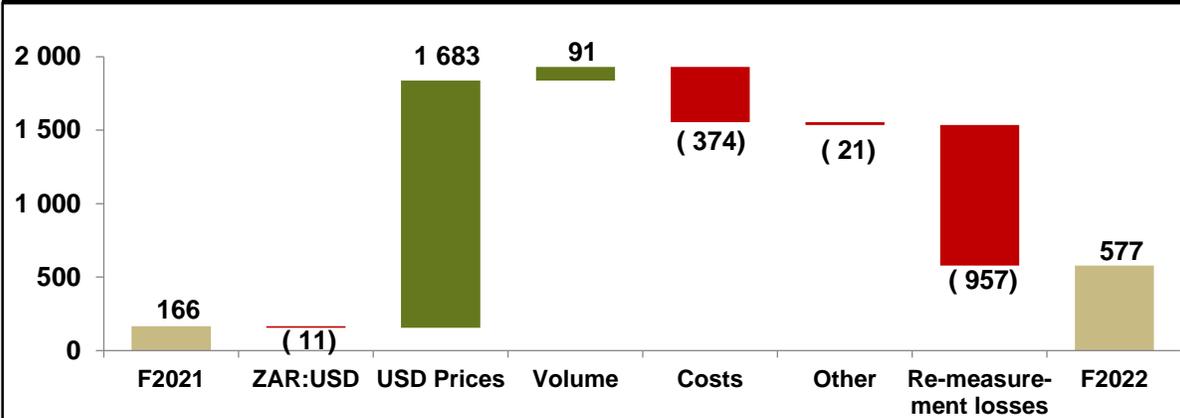
Goedgevonden Mine

ARM Coal

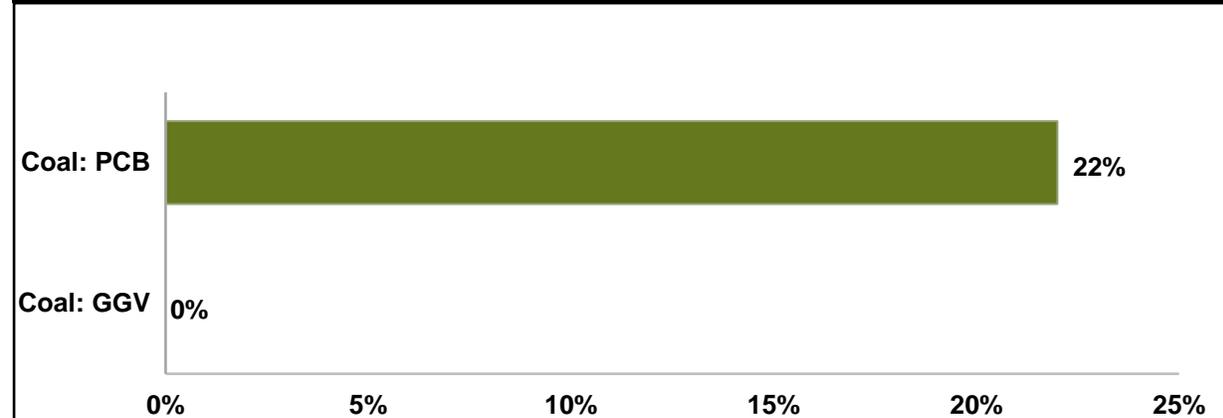
we do it better

ARM Coal

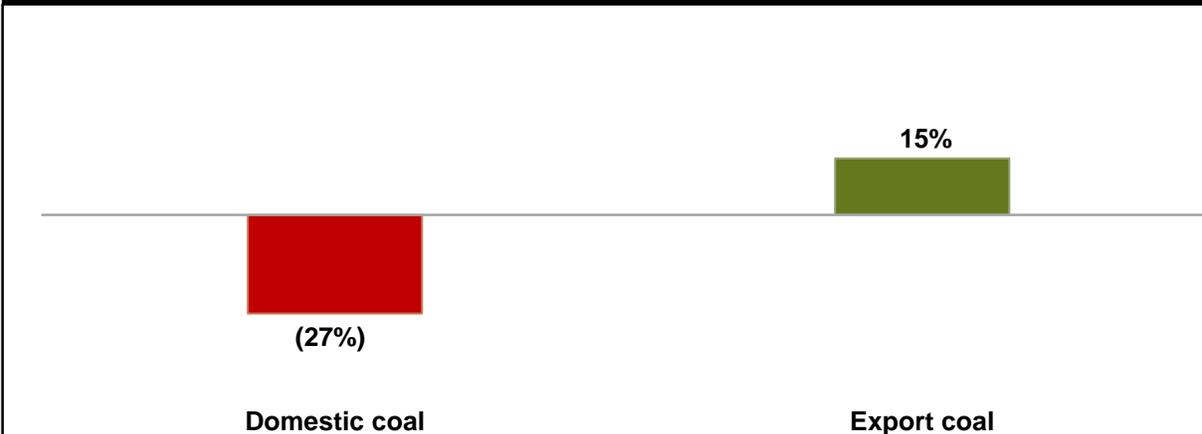
Variance analysis – segment result (R million)*



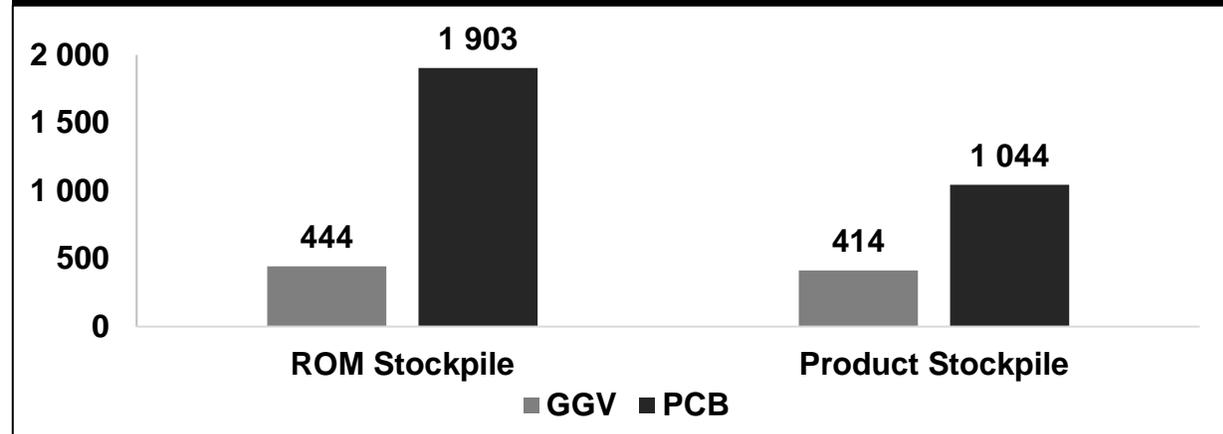
Changes in on-mine unit production costs (%)



Changes in sales volumes (%)



Stockpile volumes (thousand tonnes) (100% basis)



■ Increase

■ Decrease

*Only GGV is included in the segment result analysis

GGV and PCB (100% basis)

US dollar prices for thermal coal reached record levels in F2022 mainly due to disruptions in the global coal supply market.

Attributable cash operating profit at GGV and PCB were R1 525 million and R2 801 million, respectively.

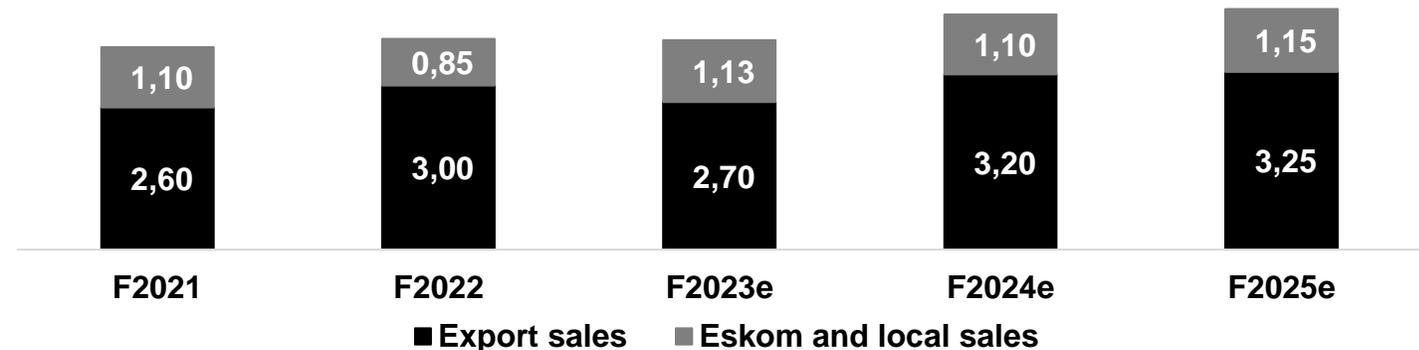
All partner loans owing to Glencore Operations South Africa were fully settled in the financial year under review.

Production volumes were negatively impacted by operational challenges at Transnet which resulted in high product stockpiles and an increase in on-mine production costs at PCB.

Operational performance

	unit	F2022	F2021	% change
Export sales volumes	Mt	13.72	11.89	15
Domestic sales volumes	Mt	3.51	4.80	(27)
GGV on-mine production costs	R/t	508	506	-
PCB on-mine production costs	R/t	633	520	22
Capital expenditure (GGV)	R million	422	1 011	(58)
Capital expenditure (PCB)	R million	1 126	1 226	8

Sales volumes (million tonnes) (attributable)



GGV and PCB loan repayments and adjusted headline earnings

The loans owing to GOSA were re-measured due to the accelerated repayments on the loans after the surge in thermal coal prices and significantly increased and cash flows

This resulted in re-measurement losses being recognised on the loans, which negatively impacted headline earnings.

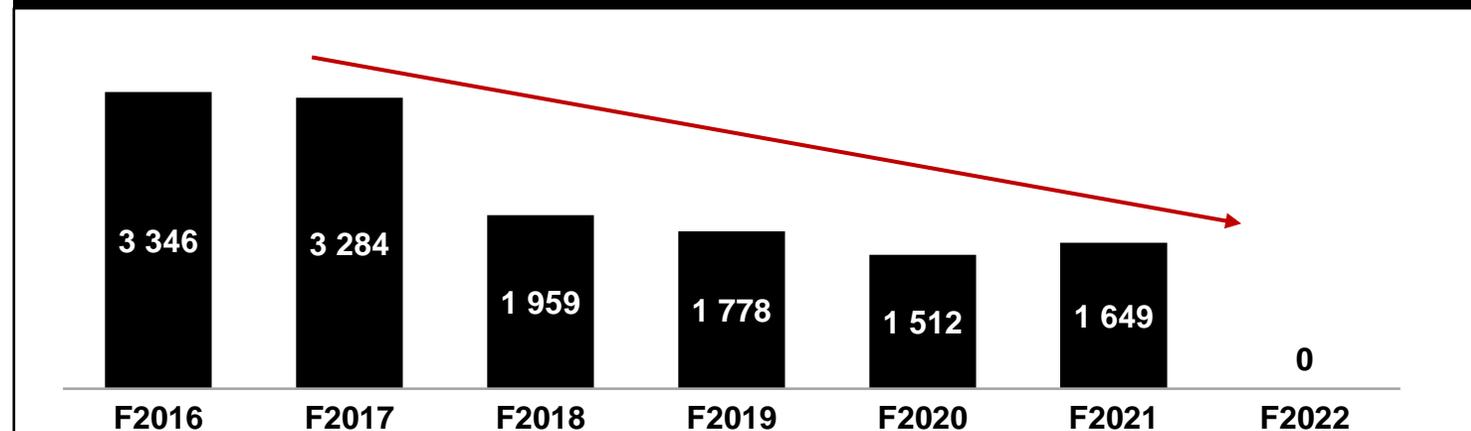
Adjusted headline earnings (excluding re-measurement losses) were R761 million at GGV and R1 423 million at PCB.

The accelerated repayment of the loans also resulted an in attributable impairment reversals at ARM of its investment in PCB of R1 121 million.

ARM Coal adjusted headline earnings

R millions	F2022	F2021
GGV adjusted headline (loss) / earnings	761	(196)
GGV Re-measurement (losses) / gains	(766)	206
GGV headline (loss) / earnings	(5)	10
PCB adjusted headline earnings	1 423	(296)
PCB Re-measurement (losses) / gains	(490)	36
PCB headline earnings / (loss)	933	(260)

ARM attributable debt to Glencore (R million)*



*Movements in loan balances includes repayments and re-measurement gains and losses



Capital allocation

Finance Director:
Tsundzukani Mhlanga

Capital allocation guiding principles

Invest in existing business

Maintenance and efficiency improvement capital expenditure to secure the sustainability of our business.

Balancing re-investment, profitability and returns.

Debt repayment

Healthy gearing levels create a flexible platform for sustainable growth

Invest in growth of existing business

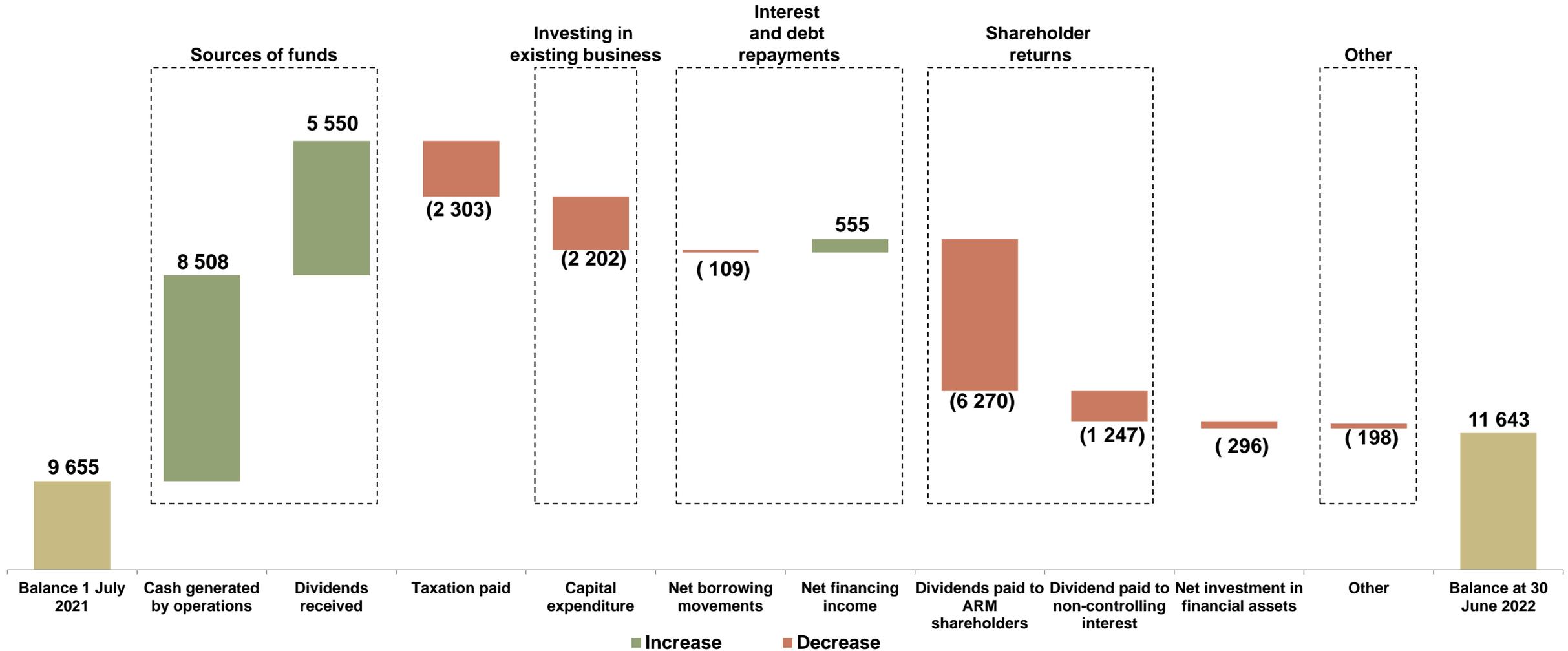
Mergers and acquisitions

Dividend payments

Share repurchases

Underpinned by metrics that measure the sustainability of value creation for stakeholders (minimum internal rate of return; other hurdle rates; payback periods; return on assets, return on capital employed; dividend pay-out, etc.)

Cash flow analysis* (R million)



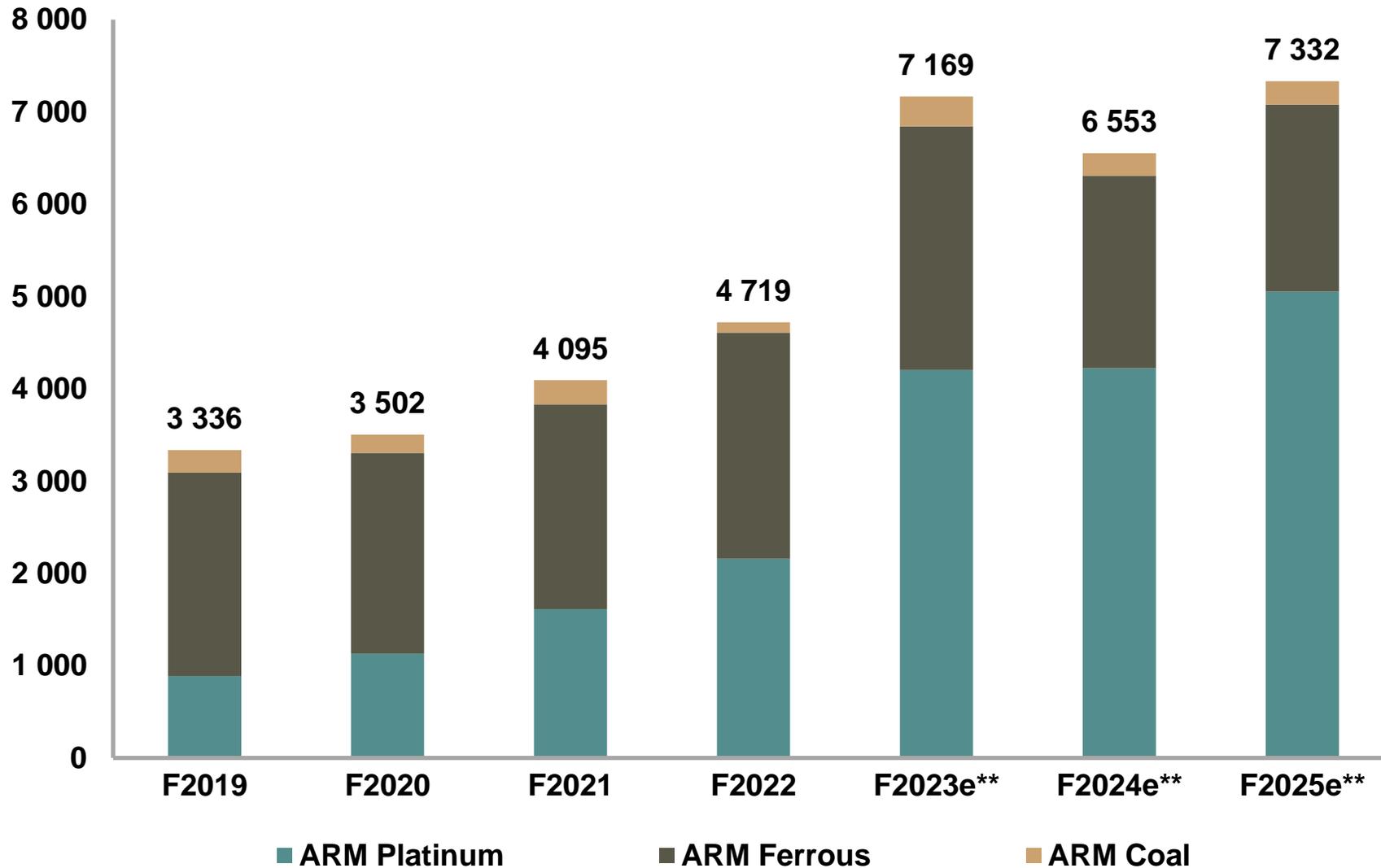
*Excludes ARM attributable cash and cash equivalents at Assmang.

Net cash and debt (R million)

	30 June 2022	30 June 2021
Cash and cash equivalents per statement of financial position*	11 659	9 671
Cash and cash equivalents per statement of cash flows	11 643	9 655
Overdrafts	16	16
Total borrowings	(484)	(1 469)
Long-term borrowings	(305)	(1 105)
Short-term borrowings	(179)	(364)
Net cash*	11 175	8 202
Total equity	50 363	43 776
Net cash to equity ratio	22.2%	18.7%
Attributable cash and cash equivalents at Assmang	5 342	4 099

* Excludes ARM attributable cash and cash equivalents at Assmang of R5 342 million as at 30 June 2022 (30 June 2021: R4 099 million).

Segmental capital expenditure* (R million)



F2023e includes:

Two Rivers Merensky Project - R2 000 million

Bokoni Platinum Mine - R500 million

F2024e includes:

Two Rivers Merensky Project - R 2 100 million

Bokoni Platinum Mine - R750 million

F2025e includes:

Two Rivers Merensky Project - R500 million

Bokoni Platinum Mine - R3 375 million

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

Thank you





**Additional
slides**

Black Rock Mine

Re-measurement gains and losses

ARM Coal partner loans accounting treatment:

The ARM Coal loans are revalued at each period end based on the expected operational cash flows derived from the life of mine plans using the most relevant macro and operational assumptions.

The higher thermal coal price outlook resulted in an expected acceleration of loan repayments.

The accelerated repayment of the loans resulted in higher present value of the loans and the re-measurement loss of R813 million in the statement of profit or loss.

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

	F2022	F2021
ARM Mining Consortium (Modikwa)	-	(119)
ARM Mining Consortium (Modikwa) - intercompany	-	(137)
Anglo American Platinum	-	(6)
Non-controlling interest	-	24
ARM Coal	(1 256)	242
Goedgevonden Mine	(766)	206
PCB operations	(490)	36
ARM Corporate and other	488	31
ARM Mining Consortium (Modikwa) - intercompany	-	137
ARM BBEE Trust	5	47
ARM Coal	443	(153)
ARM Group	(808)	154