



**CONSISTENTLY
DELIVERING**



**ANNUAL GENERAL MEETING
PRESENTATION**

3 August 2022

Core message



Existing business
Remains industry-leading amidst global uncertainty



Growth strategy
Meticulously executed to sustain long-term growth



Balance sheet
Prudently managed amidst global volatility

Segmental makeup



Construction Materials

Aggregates | contract crushing, drilling and blasting | concrete products | readymix



Industrial Minerals

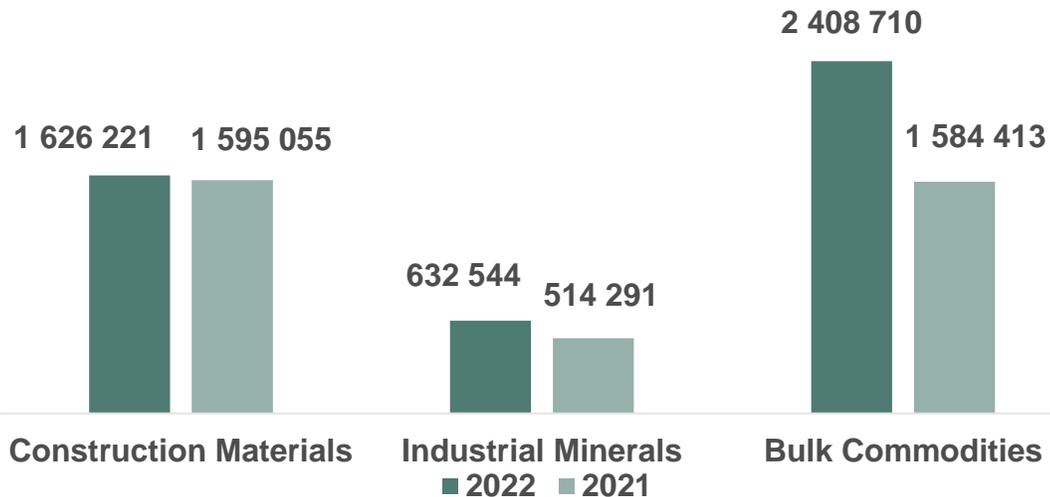
Limestone | dolomite | silica



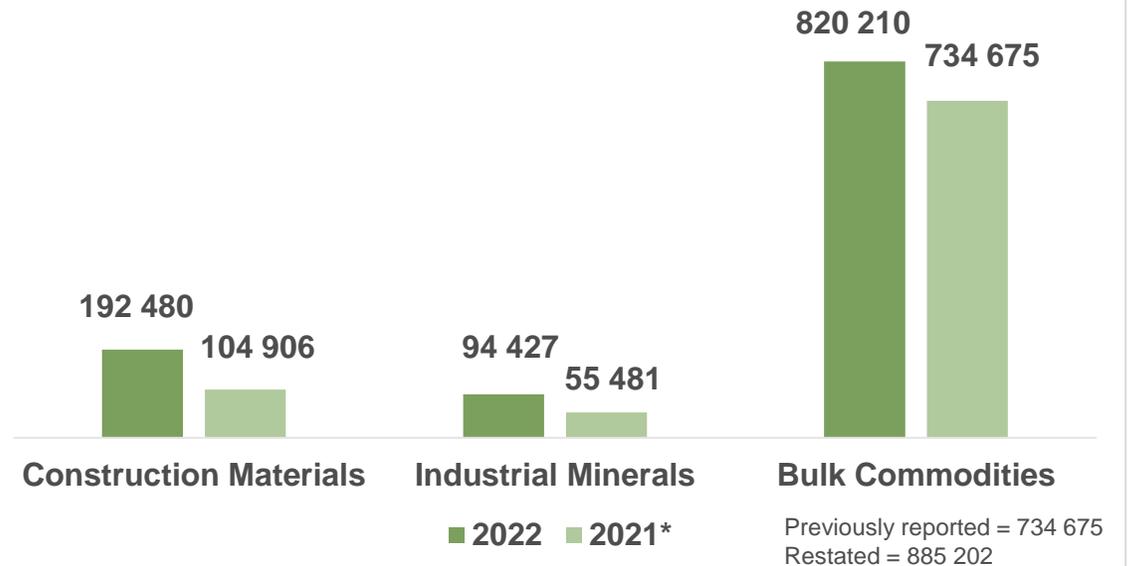
Bulk Commodities

Iron ore | anthracite | manganese (WIP) | phosphate, rare earths & vermiculite (WIP)

Revenue (R'000)



Operating profit (R'000)



Rationale for our unique strategy

- Good blend of locally and internationally priced commodities
- Exposure to different currencies
- Exposure to different economic cycles
- Similar operational skills
- Has been delivering smooth growth for more than a decade
- In line with global mega-trends



CAGR of PAT

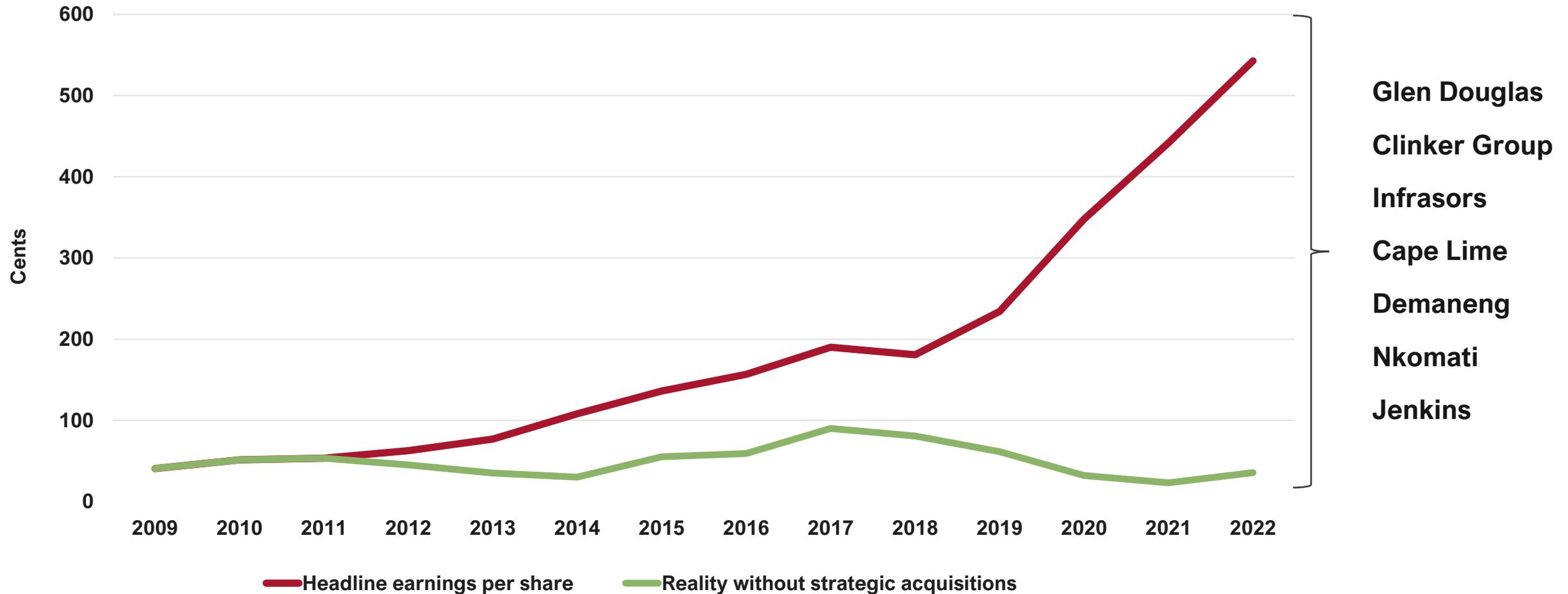
22%

(Feb 2009 – Feb 2022)

Growth through diversification



Profit history with and without acquisitions





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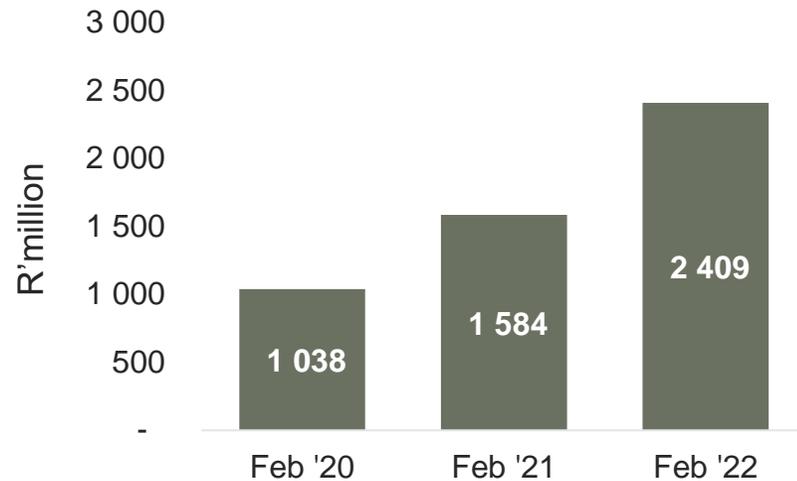
OPERATIONAL OVERVIEW

Bulk Commodities

Demaneng – iron ore
Jenkins – iron ore
Nkomati – anthracite

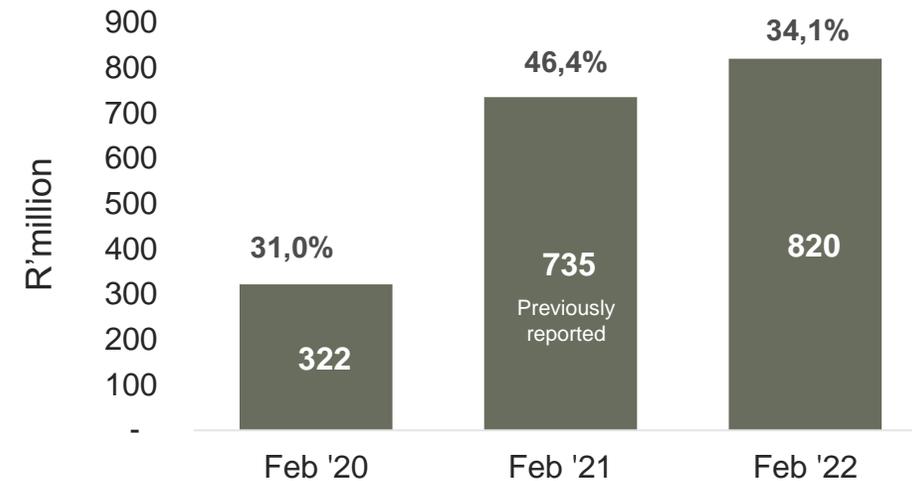


Revenue



- F2023 (H1): Jenkins operational
- Nkomati contributing positively
- Marginally improved iron ore exports

Operating profit and margin

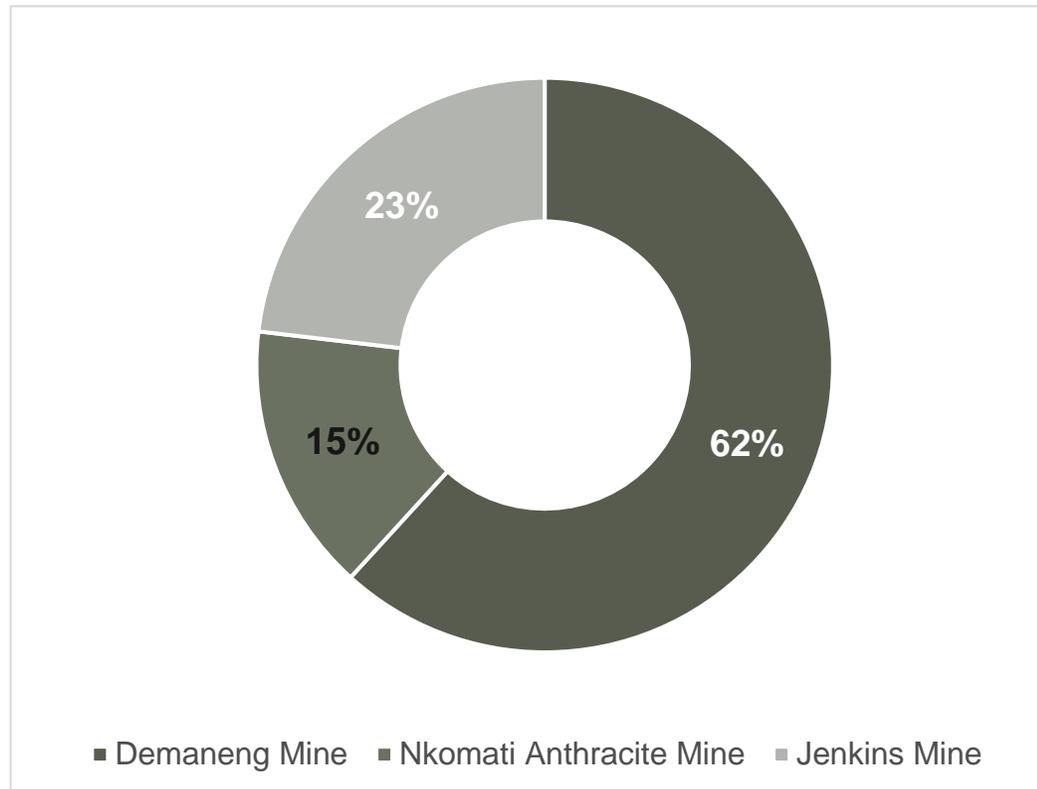


- Sharp decline in iron ore prices
- Drastic increase in diesel cost
- Extra cost due to load shedding
- Transnet: cable theft on domestic lines

Composition of Bulk Commodities (FY2022)

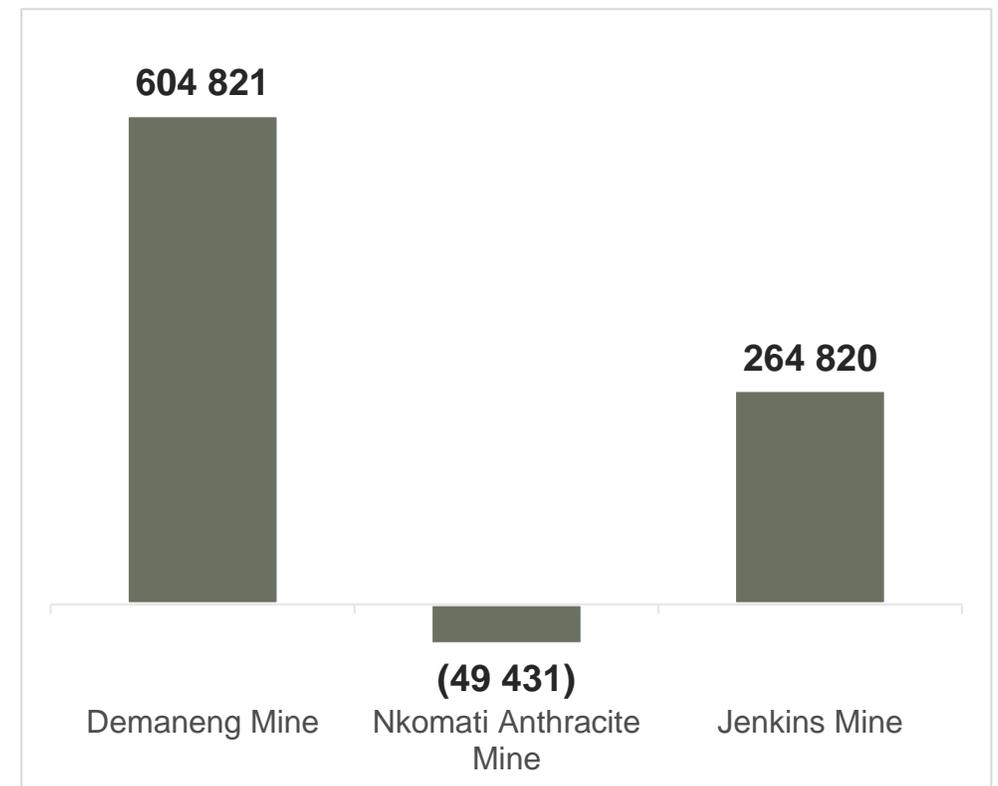
Segment contributed 52% of revenue and 74% of operating profit

Revenue contribution *



(*) 2021 comparison - Demaneng 98%
- Nkomati 2%

Operating profit (R'000)



Nkomati anthracite mine

- Mine is profitable
- Currently developing two pits and an underground shaft, requiring capital investment
 - To ensure consistent feed for the mine
- Being recognised as a reliable supplier of quality anthracite



Contributing to results?	Yes
Targeted volumes:	FY2023 – 385,000 t Steady-state – 540,000 tpa
Volumes achieved in F2022:	219 845
Off-take:	From mine gate at fixed negotiated price
Planned capex:	R100 million
Capex spent:	R56 million
Life-of-mine (yrs):	>20
Market:	Domestic
Location:	Mpumalanga

Jenkins iron ore mine

- Ramped up to required capacity
- Supplying off-take according to contract
- Interim price reduction to assist customer
- Direct shipping ore (DSO) (no beneficiation losses)



Contributing to results?	Yes
Targeted volumes:	Jul '21 – Jun '22 – 500,000 tpa Jul' 22 – Jun '23 – 1,250,000 tpa
Volumes achieved: Jul '21 – Jun '22	493 000
Planned capex:	R160 million
Capex spent:	R93 million
Life-of-mine (yrs):	>20
Market:	Domestic
Location:	Northern Cape

Contract update



- Re-negotiated a temporary interim contract at a lower price
- This “interim contract” is effective from 1 July 2022 – 28 February 2023
- The original contract is reverted to 1 March 2023
- This temporary contract should still result in an increase in sales volumes compared to the previous year
- Beneficial to the long-term sustainability of strong client relations and retention

Demaneng iron ore mine



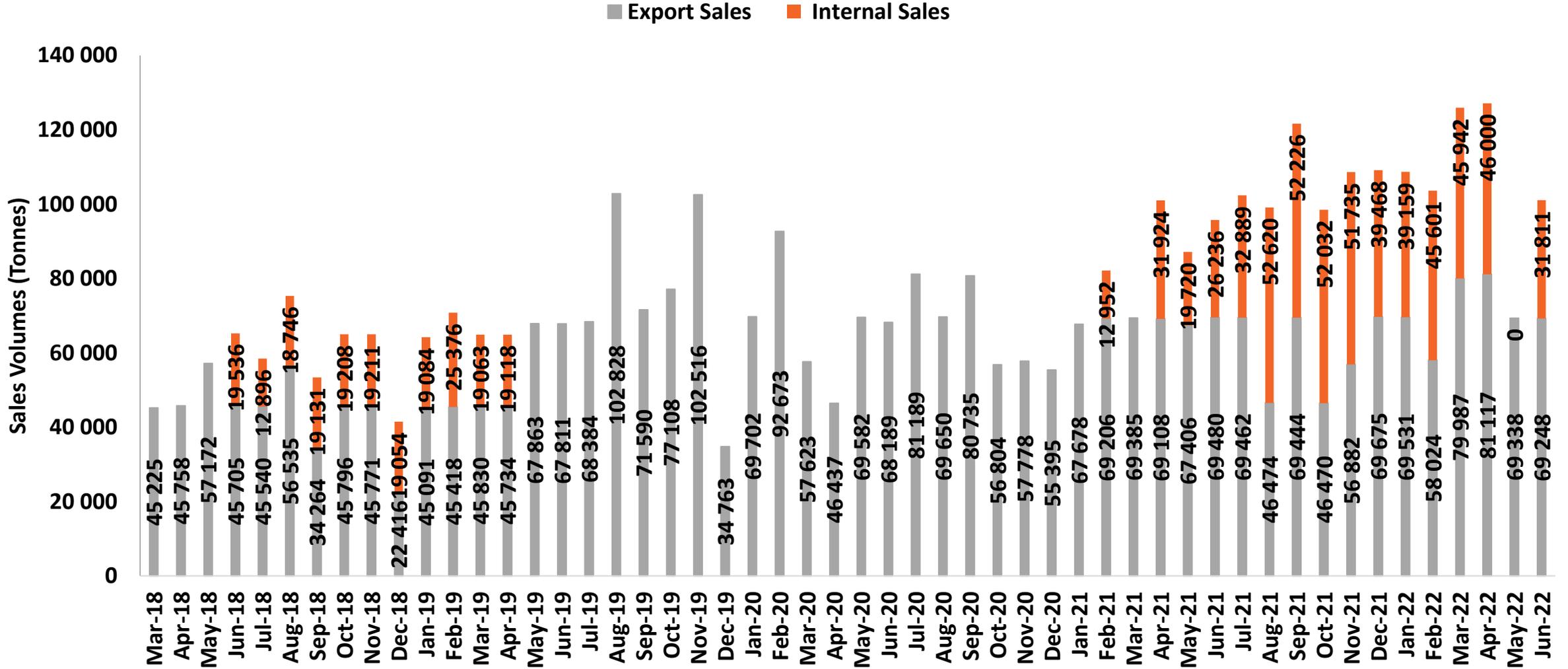
- Pricing significantly lower than the previous year
- Good operational performance
- Transnet marginally improved
- Have sufficient reserves to ensure 870,000 tonnes on the export line
- Driehoekspan earmarked to replace Demaneng in 2 – 3 years' time

Contributing to results?	Yes
Targeted volumes:	±870,000 tpa *
Volumes achieved:	746 035
Average price:	Significantly below last year
Capex:	R39 million
Life-of-mine (yrs):	3 **
Market:	Export
Location:	Northern Cape

(*) Current export rail allocation

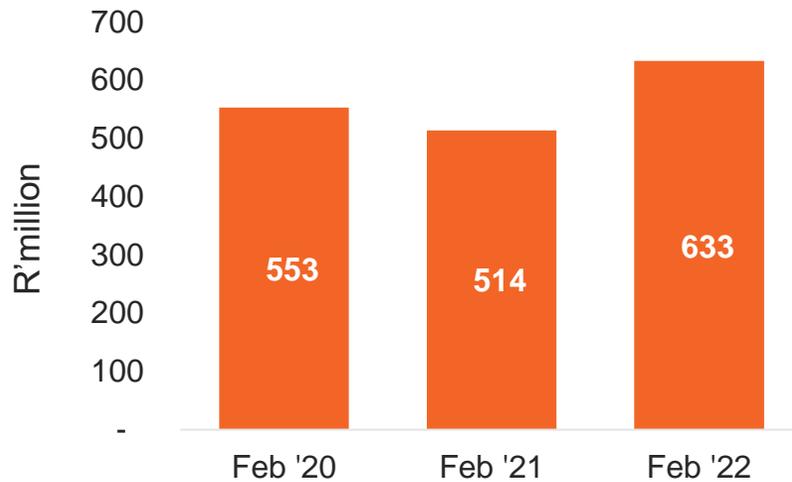
(**) Driehoekspan & Doornpan to be brought into production to maintain export volumes. Together they have a 15 – 20 year LOM

Iron ore sales by rail



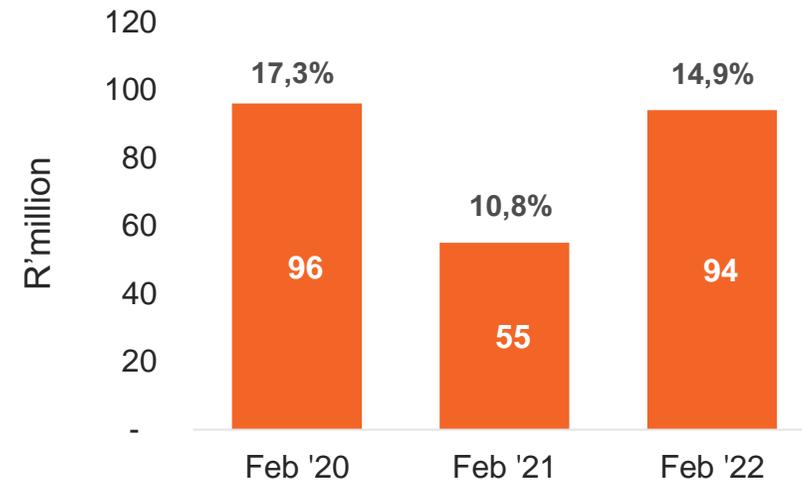


Revenue



- Currently:
 - Feed lime acquisition strengthened footprint in the agricultural lime market
 - Volumes marginally down

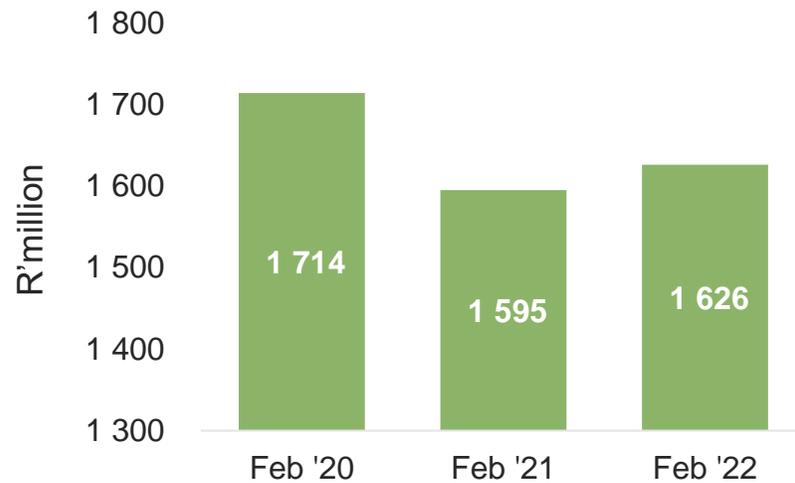
Operating profit and margin



- Currently:
 - Impacted by diesel cost and load shedding

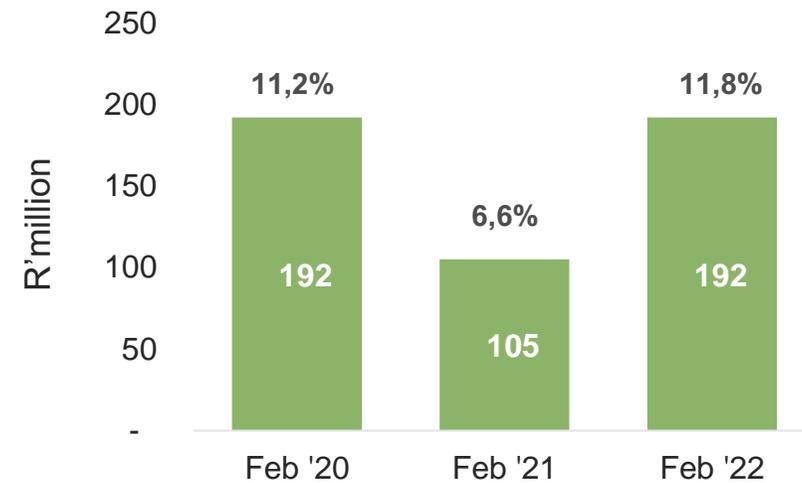


Revenue



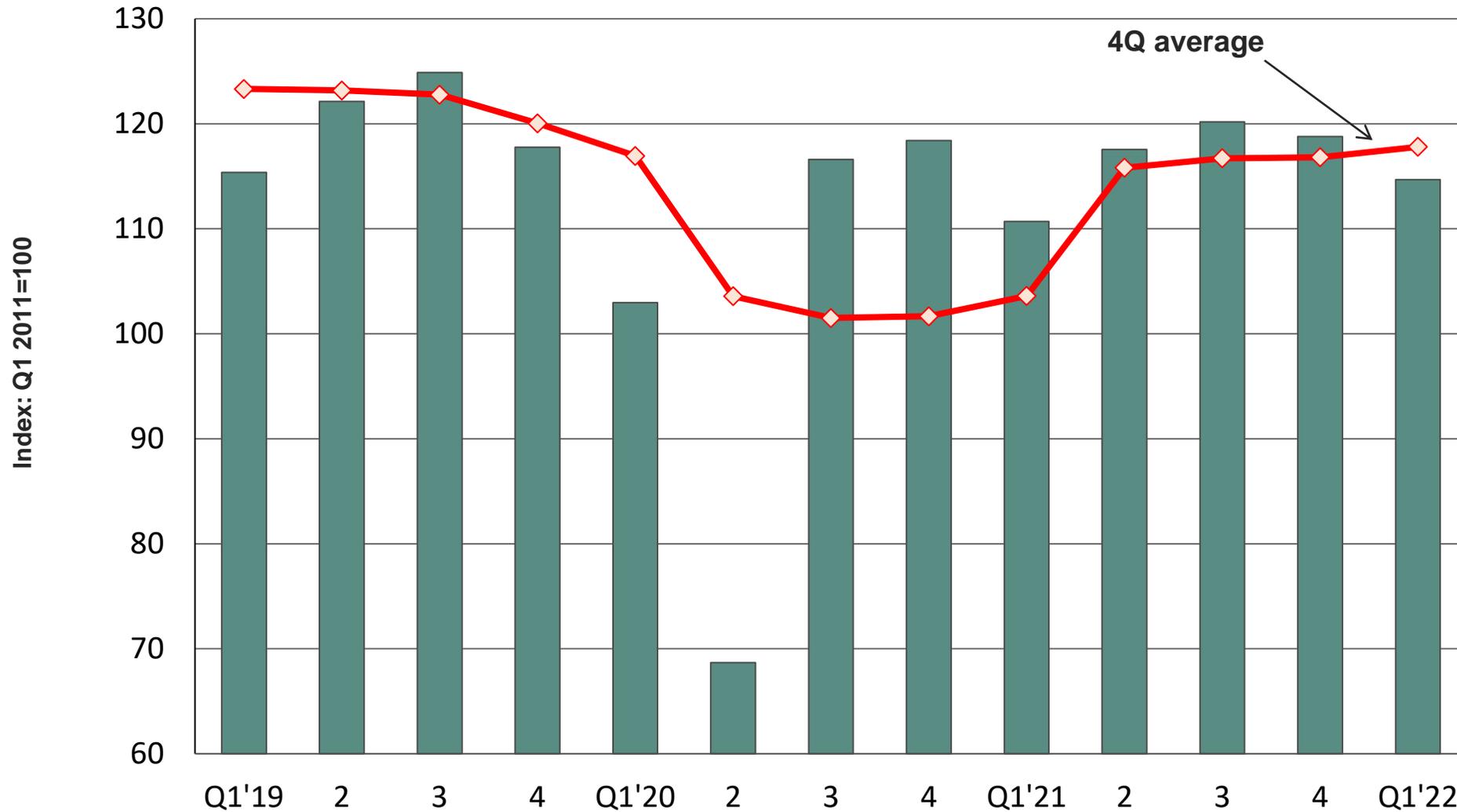
- Currently:
 - Activity levels low
 - Residential building stronger than infrastructure and commercial building

Operating profit and margin



- Currently:
 - Impacted by diesel cost and load shedding
 - Efficiency drives performing well

Afrimat Construction Index – Q1 2022





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NEW PROJECTS

Gravenhage manganese mining right

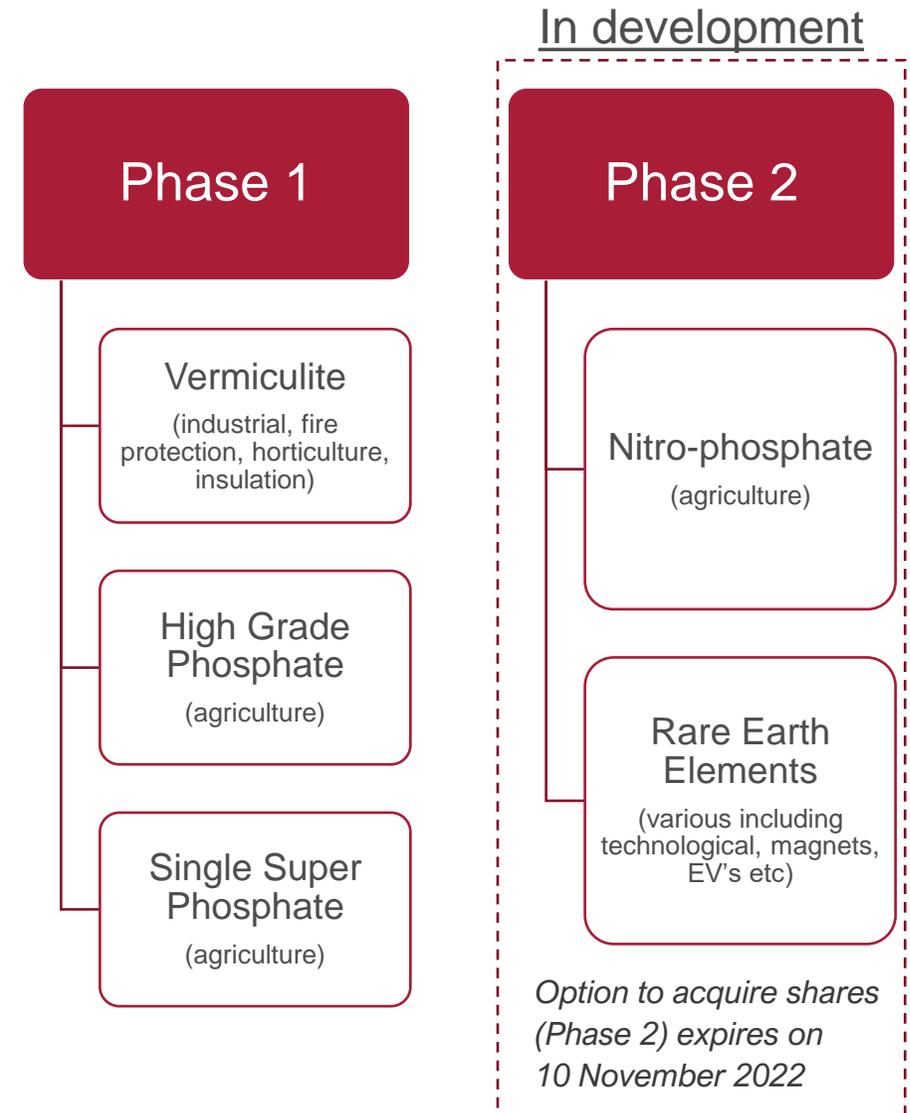
Manganese



- Enhance ferrous value chain and deepen Rand-hedge
- Possible synergies with Demaneng
- First payment (\$30 million) only due when all approvals are in place: Imminent
- Total logistics strategy being developed, including MECA 3 allocation

Contributing to results?	No (expect revenue late in FY2024)
Targeted volumes:	Phase 1: 750,000 tpa Ramp up to 1.5m tpa
Peak funding:	±R1.1 – R1.4 billion (including purchase price)
Life-of-mine (yrs):	>20
Market:	Export
Location:	Northern Cape
Resources and reserves:	2013 JORC Resource of 112Mt @ 38.5% Mn

- Aligned with global trends (decarbonisation, technology advancements, food security etc.)
- Enhance the diversification strategy
- Good long-term market dynamics with healthy margins
- Good inherent resource characteristics (quality)
- Scalability
- Meticulous execution and value optimisation



Products and applications



Project	Product	Planned steady state production	Current indicative market pricing	Operational commencement (est. 6 month ramp up)
High Grade Phosphate	HG Phosphate	30 000 tpa (Sellable)	>R2000 per ton	H1 F2023 (operational)
Single Super Phosphate	SSP Fertilizer	30 000 tpa (Sellable)	>R8000 per ton	H2 F2024
Vermiculite	Vermiculite (flakes)	30 000 tpa (Sellable)	>R4000 per ton	H2 F2024
Nitrophosphate	CN4/CNx fertilizer Nitrophosphate fertilizer	2 x 30 000 tpa (Planned Feed)	TBC	H2 F2025
Rare Earth Elements	Products including Rare Earth Carbonate + various other being investigated	2 x 15 000 tpa (Planned Feed)	TBC	H2 2025

Life-of-mine > 20 years

- Peak funding phase 1: R640 million
- Peak funding phase 2: R1.3 billion (including acquisition cost)



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FINANCIAL REVIEW

Financial highlights F2022



23,7%

Operating profit margin

22,9%

HEPS increased to 542,9 cents

26,7%

Group revenue increased to R4,7 billion

146,0 cents per share

Final dividend
Total dividend 186,0 cents
(25,7% increase)

33,0%

Return on net operating assets

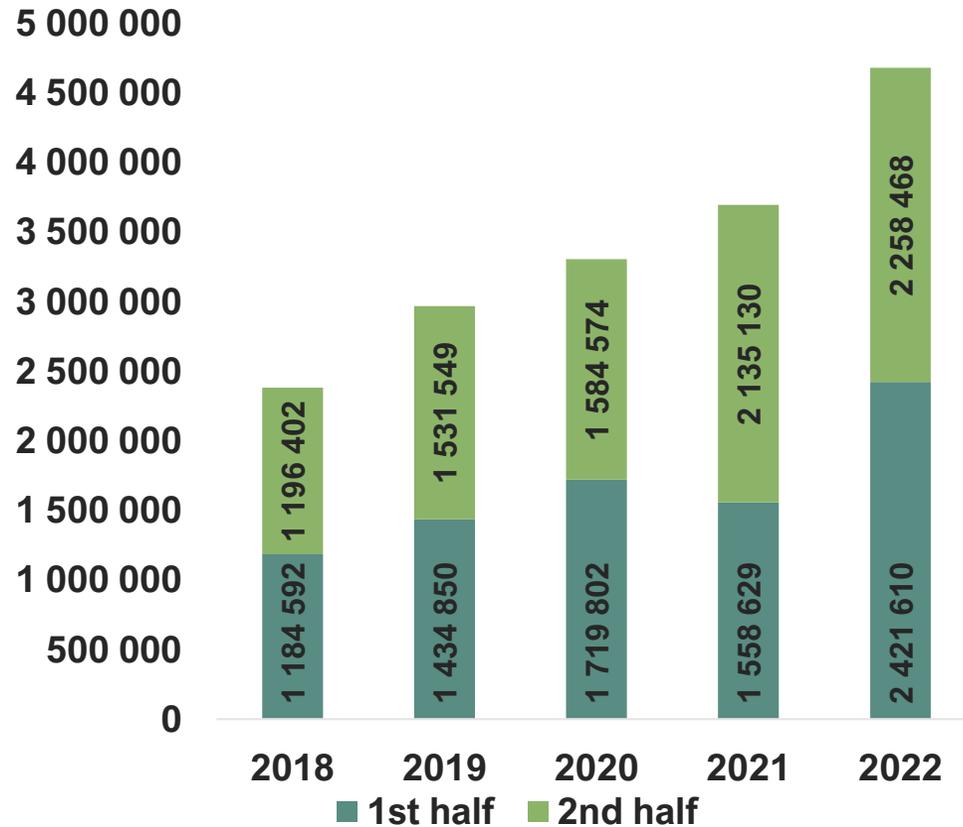
12,1%

Net debt:equity ratio

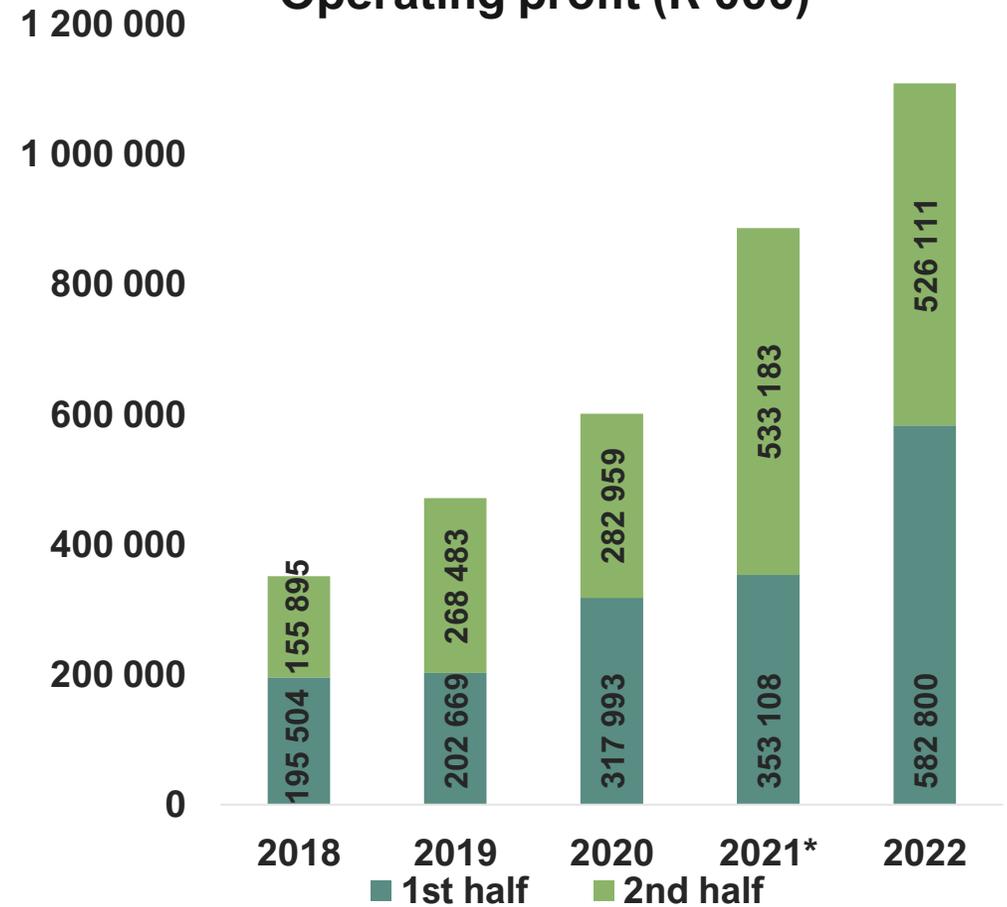
Revenue and operating profit



Revenue (R'000)



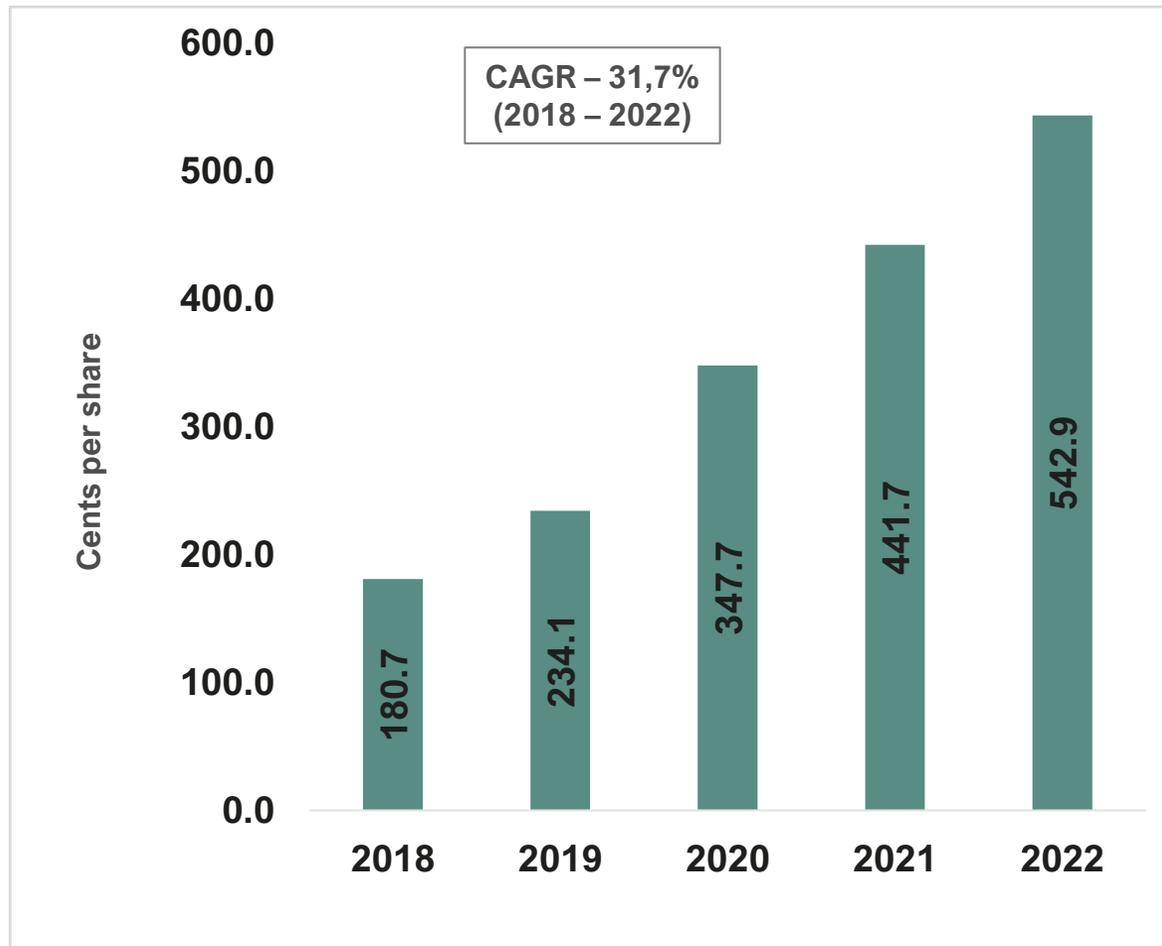
Operating profit (R'000)



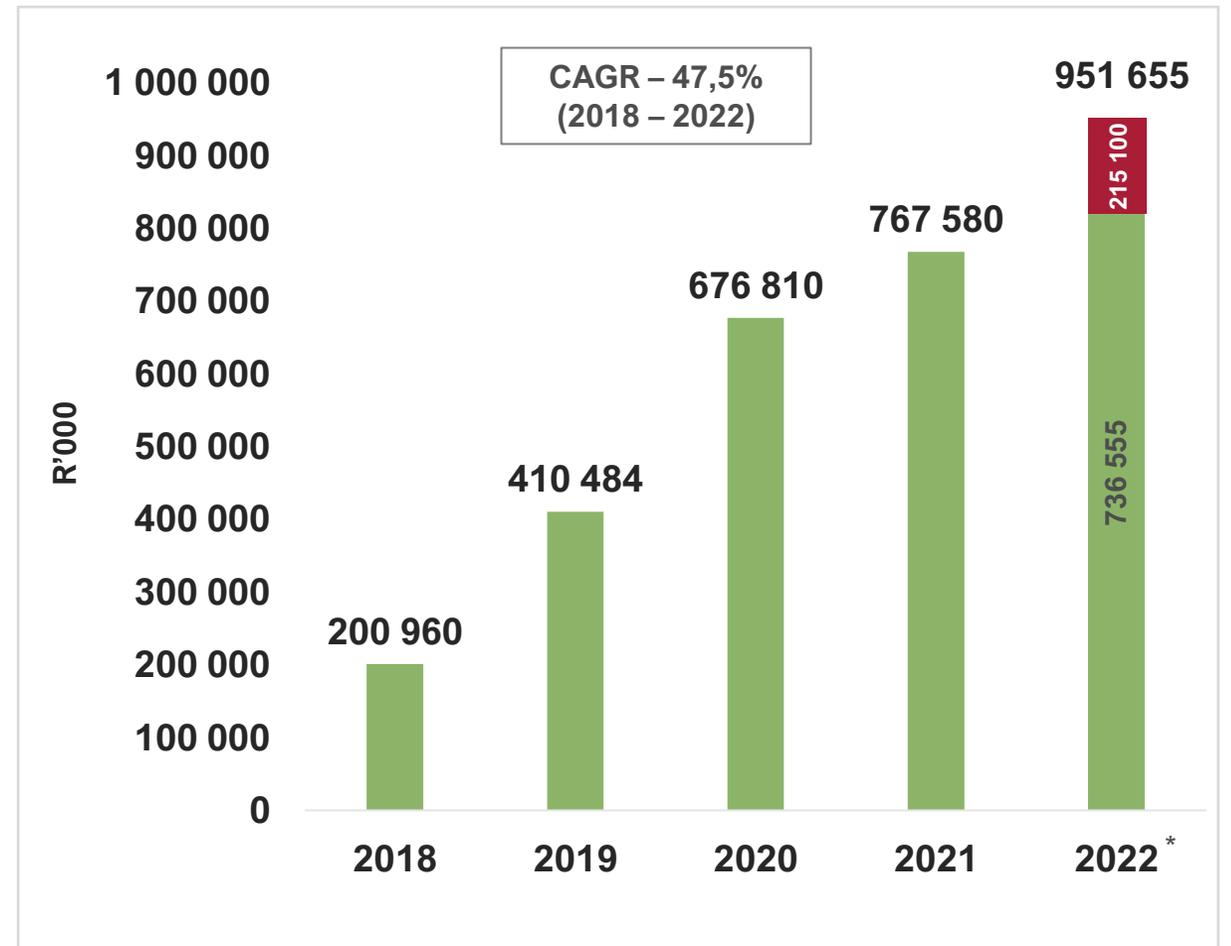
* As previously reported

Solid metrics

HEPS – full year



Net cash from operating activities – full year



* Includes the acquisition of stockpiles of Glenover “sale of asset agreement”

- **Balance sheet virtually debt free**
- **Cash generation remaining strong**
- **Accelerated CAPEX spend on:**
 - Glenover (SSP, Vermiculite)
 - Gravenhage (\$30 million plus mine establishment)
 - Nkomati (2 open pits and underground)
- **R680 million capital raise:**
 - Prevents over-gearing in the next year
 - Buffer against commodity volatility
 - Dry gun powder for good opportunities
- **Capital will be diligently managed.**



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ESG AND SUSTAINABILITY

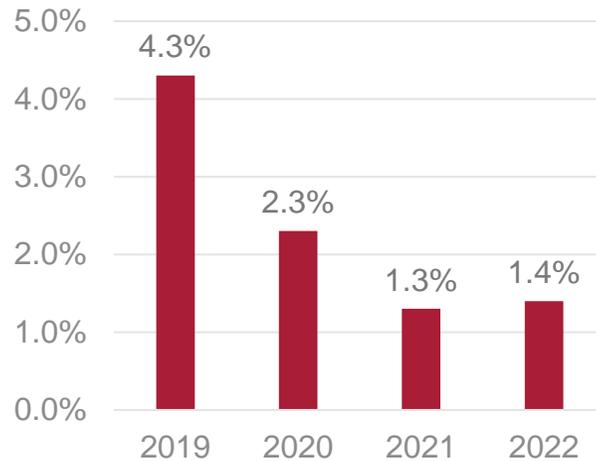
2,517 employees

2,474 training days

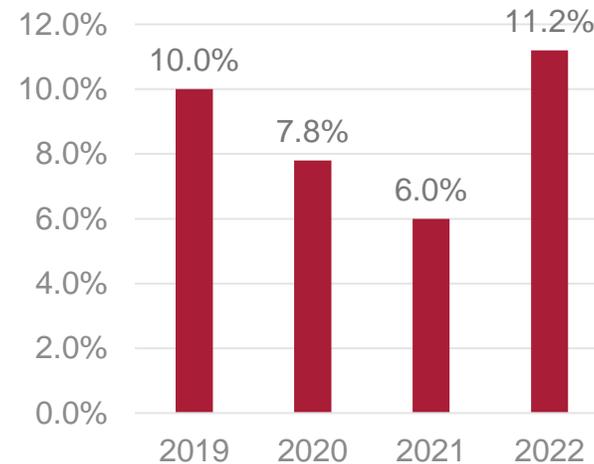
512 jobs created

56 bursaries awarded to staff

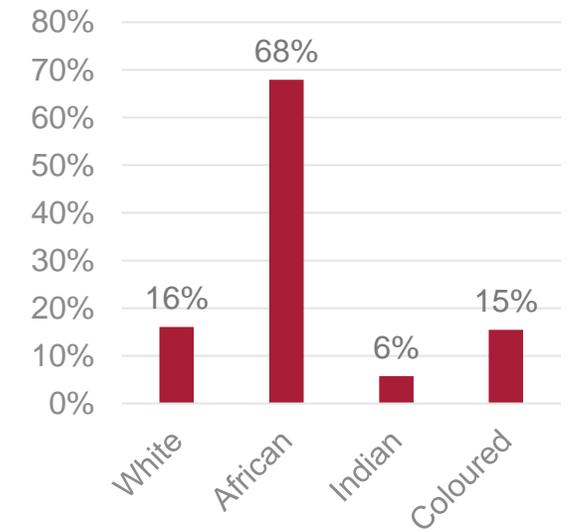
Absenteeism



Attrition



Staff composition



Community relations

70 sites across South Africa



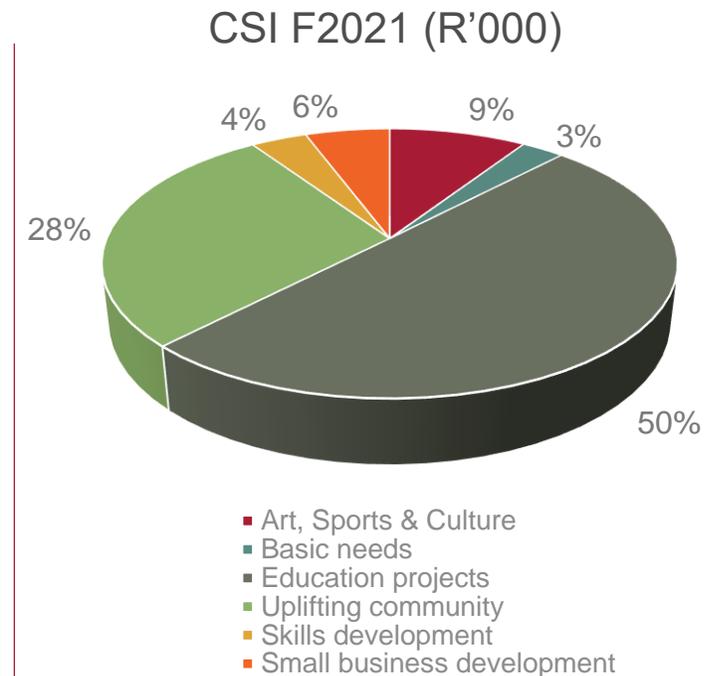
- No community unrest or labour action in the financial year

Education



- Sponsor math teachers' salaries
- Chess programs in support of mathematical foundations

Distribution of SLP spend

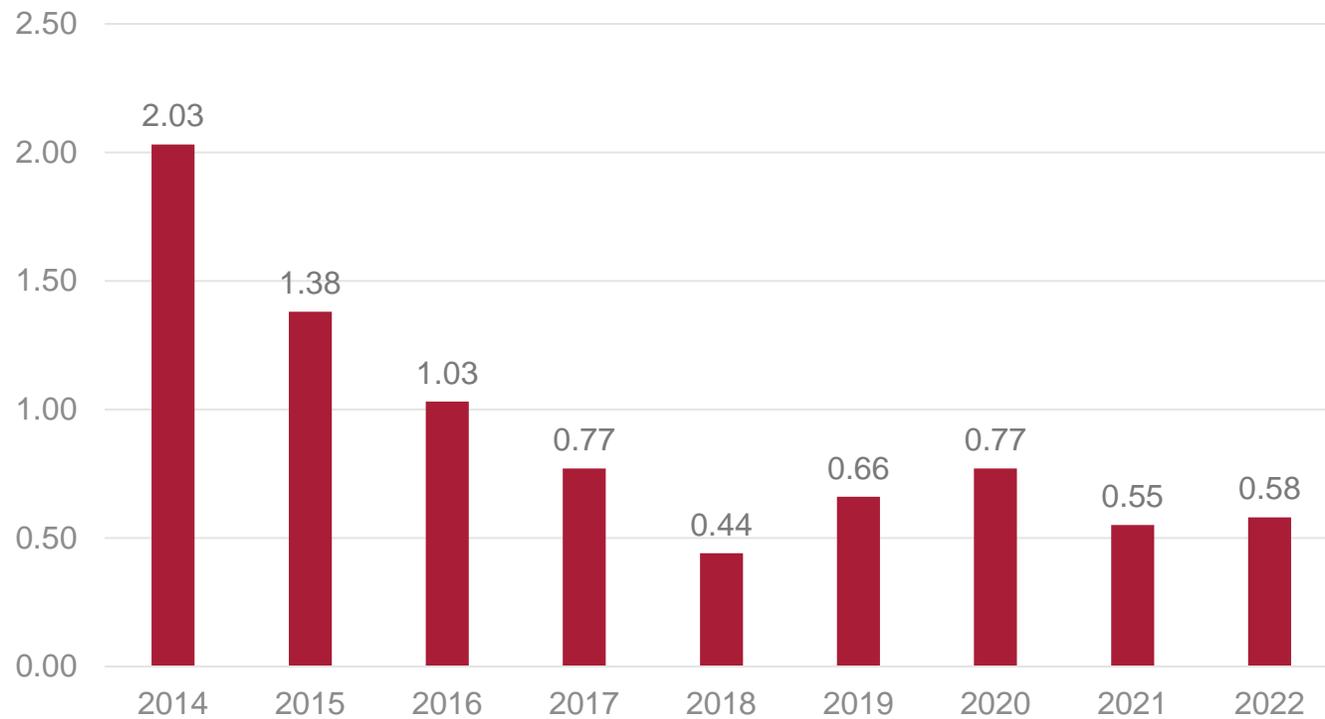


- Community risk matrix in place

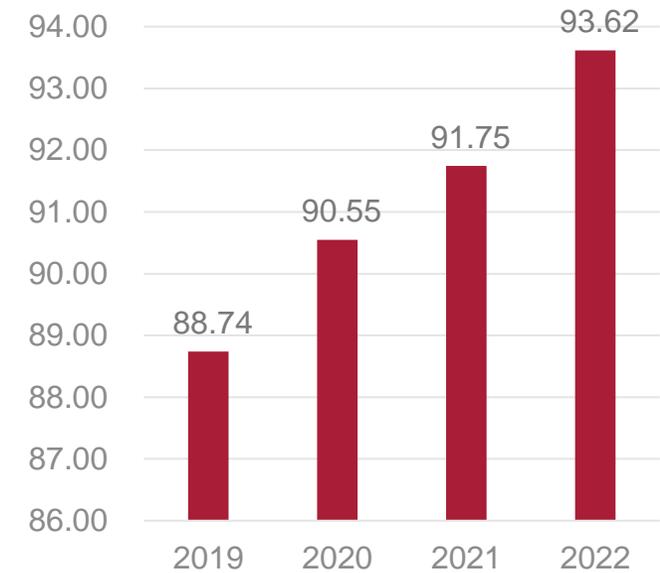
Statutory relationships and compliance



LTFR progress



ISHE ASPASA audit trend





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THE FUTURE

Looking ahead



- Maintain efficiency at existing operations
- Iron ore business to benefit from Jenkins iron ore mine reaching design capacity
- Nkomati on track to slightly exceed ramp-up volumes
- Industrial Minerals and Construction Materials to maintain efficiency drives to protect margins
- Maintain good cash flow
- Diligent project execution and value optimization

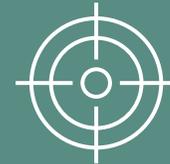
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Meticulously executed to sustain long-term growth



Balance sheet
Prudently managed amidst global volatility

26 August 2022

Pre-close event

Webinar

19 October 2022

Site visit to Demaneng & Jenkins

Kathu

27 October 2022

Interim results roadshow

Cape Town & accessible via webinar

16 November 2022

Site visit to Nkomati Anthracite Mine

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