



15 FEBRUARY 2024

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

2024 HALF 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 2024 half year financial results presentation materials, the details of which are as follows:

Conference ID:

Please pre-register for this call at <https://s1.c-conf.com/diamondpass/10036241-fh86t5.html>.

A presentation is attached. Following the conference call a recording will be available on the South32 website (<https://www.south32.net/investors/presentations-speeches>).

Separately a video presentation by South32 Chief Executive Officer, Graham Kerr, will be made available on the South32 website (<https://www.south32.net/news-media/latest-news>).

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. We also have a portfolio of high-quality development projects and options, and exploration prospects, consistent with our strategy to reshape our portfolio toward commodities that are critical for a low-carbon future.

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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
15 February 2024



2024 HALF YEAR FINANCIAL RESULTS

15 February 2024

IMPORTANT NOTICES



This presentation should be read in conjunction with the "Financial Results and Outlook – half year ended 31 December 2023" announcement released on 15 February 2024, which is available on South32's website (www.south32.net).

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 operations; 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. 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. 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.

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, Underlying effective tax rate, Operating margin, Free cash flow and net debt. 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.

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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 FY23 Annual Report (www.south32.net) issued on 8 September 2023 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.

Taylor Mineral Resources: The information in this presentation that relates to the Mineral Resource estimate for the Taylor deposit is extracted from the announcement entitled "Hermosa Project – Mineral Resource Estimate Update and Exploration Results" published on 24 July 2023 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 and, that 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.

Taylor Ore Reserves: The information in this presentation that relates to the Ore Reserve estimate for the Taylor deposit is extracted from the announcement entitled "Final Investment Approval to Develop Hermosa's Taylor Deposit" published on 15 February 2024 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 and, that 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.

PRODUCTION TARGETS

Illawarra Metallurgical Coal: The information in this presentation that relates to the Production Target for Illawarra Metallurgical Coal is based on 21% Proved and 79% Probable Coal Reserves from Bulli (Appin) and was originally disclosed in "September 2023 Quarterly Report" dated 23 October 2023. The 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 FY23 Annual Report published on 8 September 2023 and is available to view on www.south32.net. South32 confirms that all the material assumptions underpinning the Production Target in the initial public report continue to apply and have not materially changed. 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.

Taylor: The information in this presentation that refers to Production Target and forecast financial information for Taylor is based on Probable (61%) Ore Reserves and Measured (1%), Indicated (5%), Inferred (9%) Mineral Resources and Exploration Target (24%) for the Taylor deposit, and was originally disclosed in "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024. The Mineral Resources and Ore Reserves underpinning the Production Target have been prepared by Competent Persons in accordance with the JORC Code. South32 confirms that all the material assumptions underpinning the production target in the initial public report referred to in ASX Listing Rule 5.16 continue to apply and have not materially changed. 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 33% of tonnage (9% Inferred Mineral Resources and 24% Exploration Target) is not the determining factor of the project viability and the project forecasts a positive financial performance when using 67% tonnage (61% Probable Ore Reserves and 1% Measured and 5% 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.

Clark: The information in this presentation that refers to the Production Target for Clark is based on Indicated (69%) and Inferred (31%) Mineral Resources and was originally disclosed in "Hermosa Project Update" dated 9 May 2023. The Mineral Resources underpinning the Production Target is based on Mineral Resources disclosed in South32's FY23 Annual Report published on 8 September 2023 (www.south32.net). South32 confirms that all the material assumptions underpinning the Production Target in the initial public report referred to in ASX Listing Rule 5.16 continue to apply and have not materially changed. There is a 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 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 31% of Inferred Mineral Resources is not the determining factor of the project viability and the project forecasts a positive financial performance when using 69% Indicated Mineral Resources. South32 is satisfied, therefore, that the use of Inferred Mineral Resources in the Production Target and forecast financial information reporting is reasonable.

EXPLORATION TARGETS AND EXPLORATION RESULTS

The information in this presentation that relates to the Exploration Targets and Exploration Results for Taylor, Clark, Peake and Flux are extracted from "Final Investment Approval to Develop Hermosa's Taylor Deposit" released on 15 February 2024, 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.

IMPORTANT NOTICES

The Group's statutory profit after tax decreased by US\$632M to US\$53M in H1 FY24, as record Group aluminium production and lower raw material input prices, were more than offset by lower commodity prices and metallurgical coal volumes as we completed two planned longwall moves at Illawarra Metallurgical Coal. Underlying earnings decreased by US\$520M to US\$40M in H1 FY24.

Consistent with our accounting policies, various items are excluded from the Group's statutory profit/(loss) to derive Underlying earnings. Total adjustments to derive Underlying EBIT in H1 FY24 (US\$161M), shown in the table below, include:

- Sierra Gorda (+US\$47M) and manganese (+US\$71M) joint venture adjustments: adjustments to reconcile the statutory equity accounting position to a proportional consolidation basis; and
- Net impairment loss of financial assets (+US\$48M): periodic revaluation of the shareholder loan receivable from Sierra Gorda reflecting copper prices and other macroeconomic assumptions. An offsetting amount is recorded in the Sierra Gorda joint venture adjustments noted above.

Profit to Underlying EBITDA reconciliation	H1 FY24 US\$M	H1 FY23 US\$M
Profit before tax and net finance income/(costs)	75	871
Adjustments to derive Underlying EBIT:		
Significant items	—	(138)
Sierra Gorda joint venture adjustments	47	(57)
Manganese joint venture adjustments	71	101
Exchange rate (gains)/losses on the restatement of monetary items	13	(48)
Net impairment loss/(reversal) of financial assets	48	214
Net impairment loss/(reversal) of non-financial assets	—	(4)
Gains on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss	(18)	(17)
Total adjustments to derive Underlying EBIT	161	51
Underlying EBIT	236	922
Underlying depreciation and amortisation	472	442
Underlying EBITDA	708	1,364
Profit/(loss) to Underlying earnings reconciliation	H1 FY24 US\$M	H1 FY23 US\$M
Profit after tax	53	685
Total adjustments to derive Underlying EBIT	161	51
Total adjustments to derive Underlying net finance costs	(109)	(102)
Total adjustments to derive Underlying income and royalty related tax expense	(65)	(74)
Underlying earnings	40	560

WORKING SAFELY



We are working to improve our safety performance through our 'safety guarantee'^(a)

Fatalities^{1,2}	H1 FY24: 0 FY23: 2 FY22: 1
Lost time injury frequency (LTIF)³	H1 FY24: 2.0 FY23: 1.4 FY22: 2.0
Total recordable injury frequency (TRIF)³	H1 FY24: 5.2 FY23: 5.9 FY22: 5.3
Total recordable illness frequency (TRILF)³	H1 FY24: 1.0 FY23: 1.3 FY22: 1.4
Total significant hazards frequency⁴	H1 FY24: 118.0 FY23: 91.6 FY22: 72.0

- We continue to implement our Safety Improvement Program, a multi-year global program, which was launched in FY22
- The program includes a significant investment in safety leadership through our 'Lead Safely Every Day' program, which supports our leaders to engage their teams on our 'safety guarantee'
- Our 'Lead Safely Every Day' program continued to be deployed across our leadership teams in H1 FY24, and will be extended to our frontline workforce from H2 FY24
- We have seen improved hazard awareness with a 29% increase in the hazard frequency metric over H1 FY24
- Our TRIF reduced by 12% over H1 FY24, and we expect the LTIF to follow this positive reporting trend over time

Notes:

a. Our 'safety guarantee' is our internal approach to creating a sense of chronic unease that can enhance our safety culture.

H1 FY24 OVERVIEW

Profit after tax
US\$53M

Underlying earnings
US\$40M

Underlying EBITDA
US\$708M

Operating margin⁵
19.0%

Operating unit costs in line with or below prior guidance for the majority of our operations

Free cash flow⁶
(US\$417M)

Net debt
US\$1,091M

US\$180M returned to shareholders^(a)

Fully-franked ordinary dividend in respect of H1 FY24
0.4 US cents per share (US\$18M)

Hermosa's Taylor deposit approved for development⁷, underpinning a regional scale opportunity in commodities critical for a low-carbon future

Notes:

a. During H1 FY24. Comprised a fully-franked ordinary dividend of US\$145M in respect of H2 FY23, and US\$35M via our on-market share buy-back.

PERFORMANCE SUMMARY AND OUTLOOK



We are in a strong position to capture higher margins and unlock value in our growth pipeline

**7% production uplift
expected in H2 FY24⁸**

**FY24 Operating unit cost guidance^(a) lowered or
maintained across the majority of our operations**

**With improved commodity prices to start
H2 FY24, the outlook is for margins to expand**

**We continue to invest to unlock value at our
operations and high-quality growth options in
commodities critical for a low-carbon future**

Notes:

a. For the operations which we provide Operating unit cost guidance.



STRATEGY & PORTFOLIO

OUR STRATEGY

Our purpose is underpinned by a simple strategy



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 PORTFOLIO

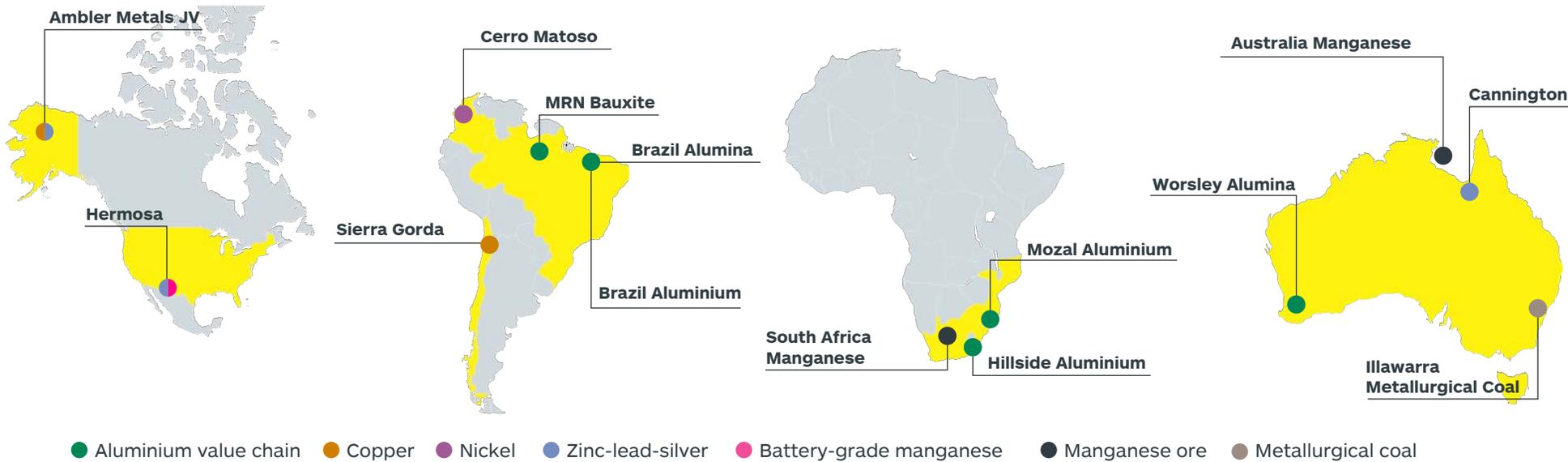


An attractive commodity mix and growth pipeline in commodities critical for a low-carbon future

Embedded near term growth in copper and low-carbon aluminium⁹

Unlocking value from our high-quality development options in the Americas

Investing to discover our next generation of base metal mines with over 25 exploration prospects



Development projects

- Hermosa Taylor zinc-lead-silver
- Sierra Gorda fourth grinding line expansion^(a)

Development options in study phases

- Hermosa Clark battery-grade manganese
- Ambler Metals Arctic deposit

Greenfield exploration partnerships and prospects in:

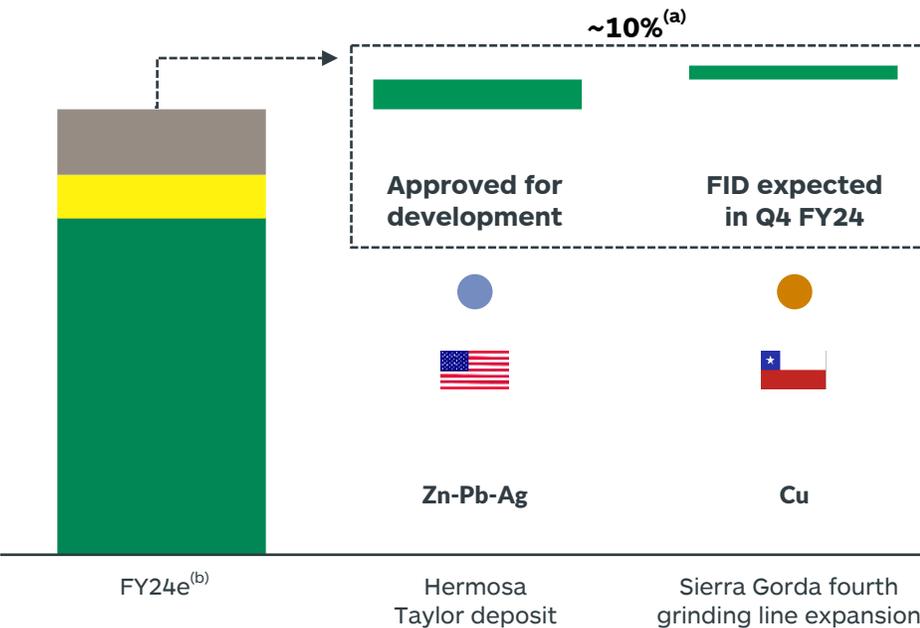
- United States** ● ●
- Canada** ●
- Argentina** ● ●
- Australia** ● ● ●
- Ireland** ●

Notes:
a. Subject to the completion of a feasibility study and a final investment decision, expected in Q4 FY24.

OUR GROWTH PIPELINE

We are unlocking significant value from our growth pipeline in commodities critical for a low-carbon future

Copper equivalent production¹⁰



- Base metals including aluminium value chain
- Manganese ore
- Metallurgical coal

Projects in further study phases and exploration



- Copper
- Zinc-lead-silver
- Nickel
- Battery-grade manganese

Notes:

a. This illustrative analysis is calculated based on:

- production volumes from the Taylor deposit, based on annual average steady state production in the feasibility study (refer to important notices (slide 2) for additional disclosure); and
- further potential production volumes following Sierra Gorda's fourth grinding line expansion, based on an ~18% increase in Sierra Gorda's FY23 production volumes.

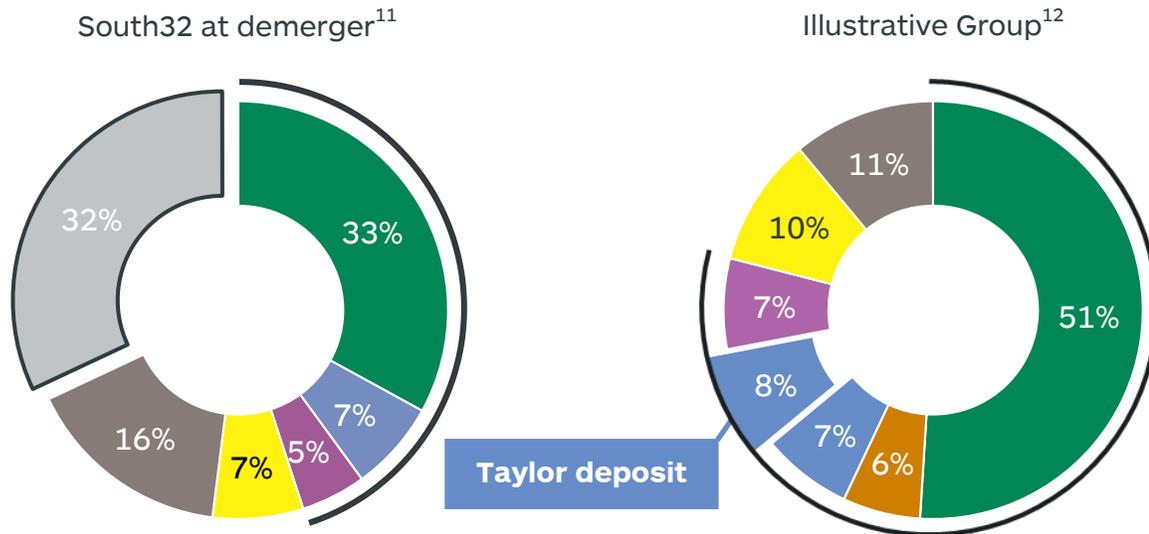
There is low level of geological confidence associated with Inferred Mineral Resources for the Taylor Deposit and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target will be realised. The potential quantity 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.

b. FY24e Group copper equivalent production is based on FY24e production guidance.

DELIVERING ON OUR STRATEGY

Final investment approval for Taylor is the next step in our portfolio transformation towards critical commodities

Underlying revenue by commodity^(a)



45%
base metals including aluminium value chain

79%
base metals including aluminium value chain

- Aluminium value chain
- Copper
- Zinc-lead-silver
- Nickel
- Manganese ore
- Metallurgical coal
- South Africa Energy Coal and manganese alloys (exited)

- Divested low returning, capital intensive businesses**
- Doubled our low-carbon aluminium capacity**
- Added Sierra Gorda copper to our portfolio, and targeting projects to unlock future volumes**
- Taylor is expected to reach first production in H2 FY27^(b) and deliver annual average steady state production of ~290kt ZnEq¹³**
- Advancing Hermosa's Clark deposit and Peake and Flux exploration prospects**
- Advancing 25+ greenfield exploration options in highly prospective regions**

Notes:
 a. Presented on a proportional consolidation basis. Excludes third party product revenue and Group and unallocated costs.
 b. Refer to important notices (slide 2) for additional disclosure.

TAYLOR INVESTMENT HIGHLIGHTS



Taylor is expected to strengthen our portfolio, deliver attractive returns and underpin additional growth at Hermosa

1 Increased exposure to attractive zinc markets

With global zinc demand growth expected to outpace production by ~3Mt to 2031, we expect higher incentive prices for zinc as Taylor ramps up to nameplate capacity

2 A long-life operation producing critical metals

Potential top 10 global zinc producer¹⁴ with annual average steady state production of ~290kt ZnEq and an initial operating period of ~28 years^(a), with potential to realise further exploration upside

3 A low-cost operation in the industry's first quartile¹⁵

First quartile cost position underpinned by a large, highly efficient underground mine with favourable orebody geometry that enables concurrent mining from multiple independent areas

4 Expected to deliver attractive returns for decades to come

Annual average steady state EBITDA^{16,17} of ~US\$400M and post tax free cash flow¹⁷ of ~US\$320M, delivering a post tax NPV¹⁸ of ~US\$686M and post tax IRR¹⁹ of ~12%

5 Unlocks Hermosa's regional scale potential

Establishes dewatering, power, roads and site facilities that will unlock value for our co-located Clark battery-grade manganese deposit and potential discoveries in our highly prospective land package

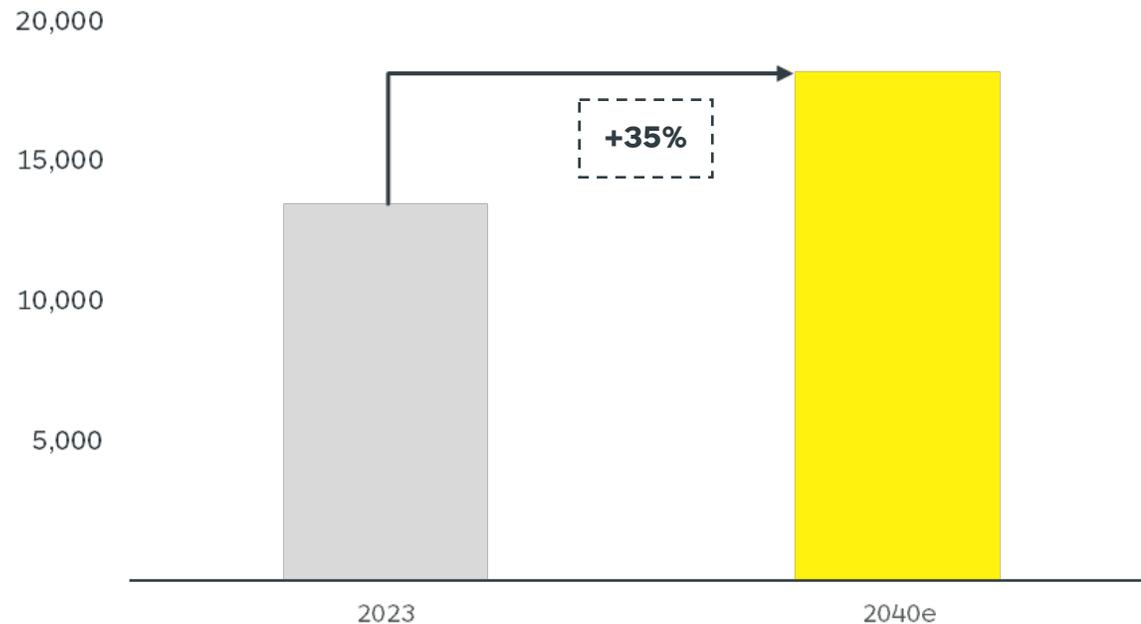
Notes:

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

1 INCREASED EXPOSURE TO ATTRACTIVE ZINC MARKETS

Zinc is a critical metal needed to support the global energy transition

Zinc primary demand^(a)
(kt Zn)



Strong demand in transport, consumer and industrial sectors with rising intensity of use

Zinc coatings are critical in protecting weather exposed steel structures such as wind and solar infrastructure

Rapid deployment of wind and solar creating new demand as the world transitions its energy systems

Notes:

a. Based on the Wood Mackenzie Global Investment Horizon Outlook (Q4 2023 dataset).

1 INCREASED EXPOSURE TO ATTRACTIVE ZINC MARKETS

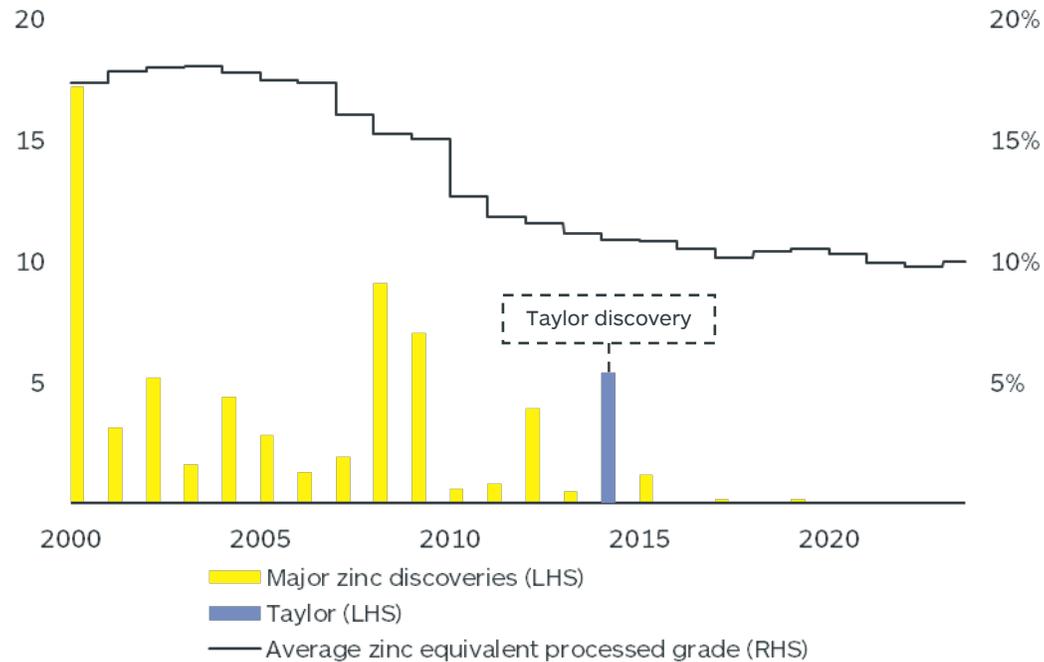


Zinc supply is declining due to falling ore grades, a lack of new discoveries and lower Chinese supply

Production grades have almost halved since the early 2000s and Taylor has been the only major zinc discovery in the past decade

Major zinc discoveries^(a) and zinc equivalent processed grade^(b)

(Mt Zn metal in resources, reserves and past production, LHS; % ZnEq, RHS)



China's supply is constrained by rising environmental regulations and declining ore grades

Chinese mine supply growth and zinc price

(kt Zn, LHS; US\$/t, RHS)



Sources: Major zinc discoveries (S&P Capital IQ Market Intelligence). Zinc equivalent processed grade (Wood Mackenzie). Chinese mine supply growth and zinc price (Oneness, South32 analysis, LME).

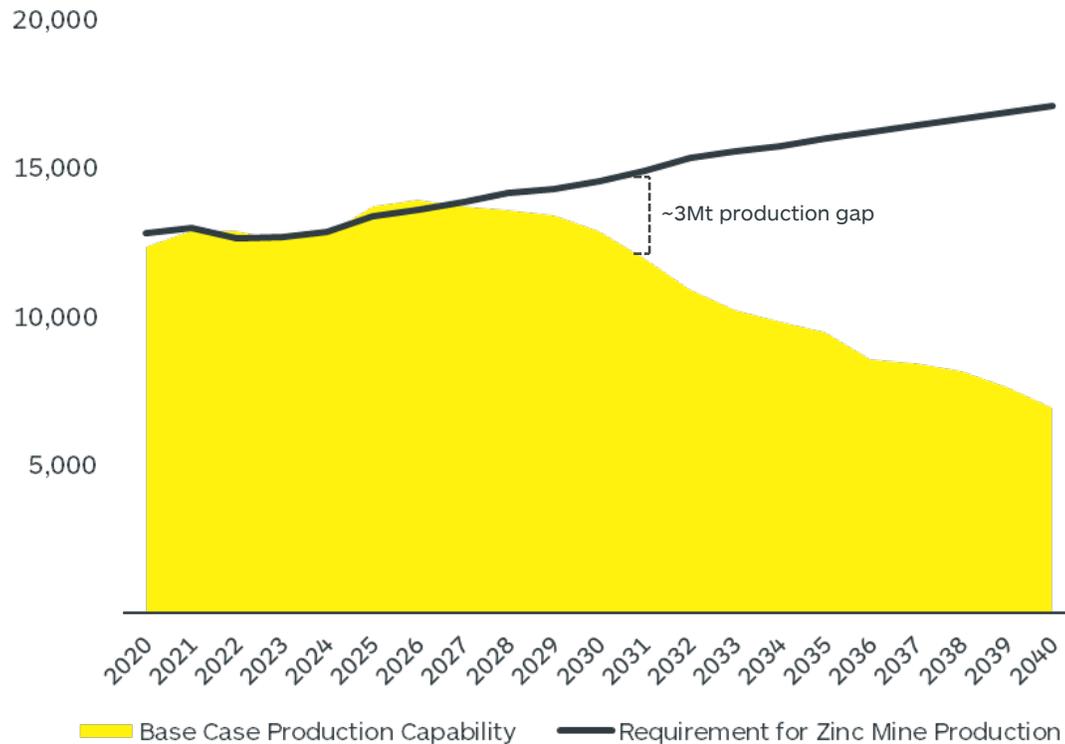
Notes:
 a. Includes all deposits containing at least 100kt of zinc in reserves, resources and past production. The year of discovery indicates the year of the initial drill program that identified potential mineralisation. SLIDE 14
 b. Zinc equivalent processed grade is based on spot prices as at December 2023.

1 INCREASED EXPOSURE TO ATTRACTIVE ZINC MARKETS



Global demand growth expected to outpace production by ~3Mt to 2031, an industry challenge similar in magnitude to copper

Total mine production capability versus zinc demand^(a)
(kt Zn)



The equivalent of three Taylor-sized projects^(b) required to be developed each year to meet projected demand

Substantial production gap expected to underpin higher incentive prices as Taylor ramps up

Our long-term zinc price forecast is shared by leading industry experts^(c)

Source: Wood Mackenzie Global Zinc Investment Horizon Outlook (Q4 2023 dataset).

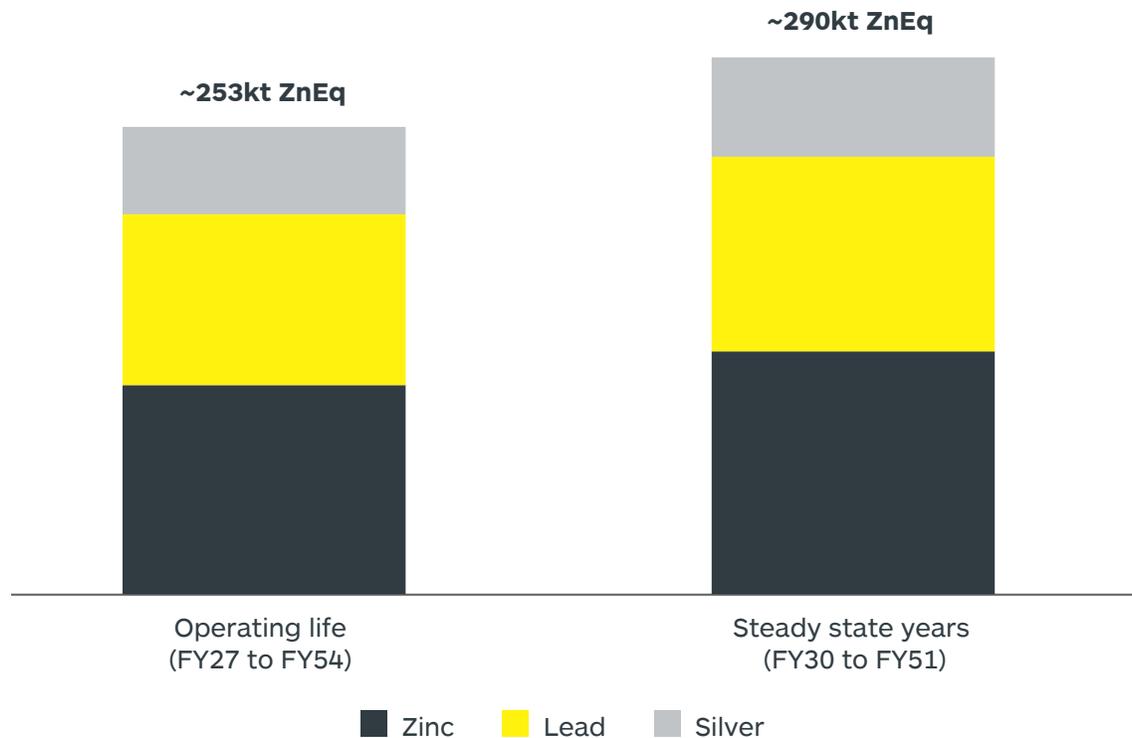
Notes:

- a. The requirement for zinc mine production illustrates the requirement for zinc in concentrates and represents smelter production adjusted for smelter production losses, zinc from secondary plants and zinc in residues and secondaries.
- b. Based on Taylor feasibility study annual steady state payable zinc production of 132kt. Refer to important notices (slide 2) for additional disclosure.
- c. Wood Mackenzie long-term high case price forecast, which is defined by the incentive price required to induce new supply.

2 A LONG-LIFE OPERATION PRODUCING CRITICAL METALS

Taylor is expected to be one of the world's largest, lowest cost zinc producers

Payable annual average ZnEq production
ktpa



Highly efficient underground mine and conventional process plant with nameplate capacity of 4.3Mtpa^(a)

Initial operating life of ~28 years^(a), with further exploration upside potential, with the deposit remaining open in several directions

Expected to add ~8% to Group production, compared to FY23 levels¹²

Notes:

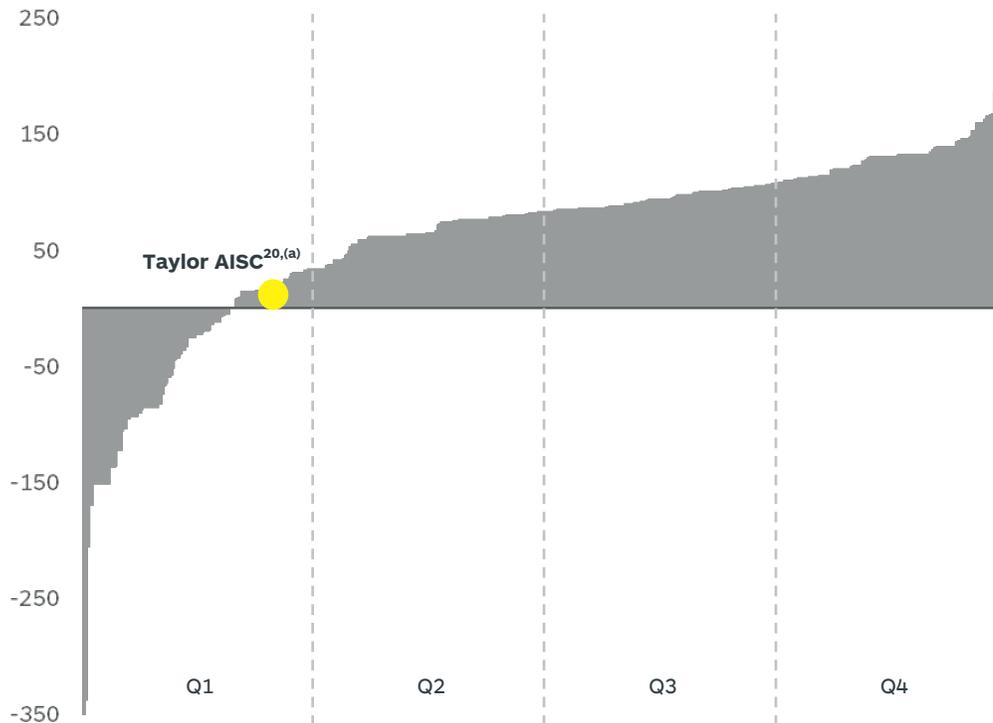
a. Refer to important notices (slide 2) for additional disclosure.

3 A LOW-COST OPERATION IN THE INDUSTRY'S FIRST QUARTILE



Taylor is expected to sustainably increase Group margins due to its first quartile cost position

Zinc total cash and sustaining costs curve CY30
(USc/lb, real 1 January 2024, net of credits)



A low-cost operation in the industry's first quartile

- Favourable orebody geometry enables a highly efficient underground mine with concurrent mining from multiple independent areas
- Further optimisation of the mine schedule for FAST-41²¹ and maintenance efficiencies, have partly offset inflation and higher assumed reagents since the PFS
- Pursuing opportunities to enhance the operation's first quartile cost position, including further optimisation of outbound transport costs, procurement of reagents and consumables

Operating unit costs⁷
~US\$86/t
ore processed

Operating unit costs⁷
~US\$(0.47)/lb Zn incl.
lead and silver credits

All-in sustaining cost²⁰
~US\$0.16/lb Zn incl.
lead and silver credits,
TCRCs and sustaining
capital expenditure

Notes:

a. Based on Taylor's average all-in sustaining cost (AISC) of ~US\$0.16/lb Zn in the feasibility study.

4 EXPECTED TO DELIVER ATTRACTIVE RETURNS FOR DECADES TO COME



Taylor's feasibility study has confirmed the potential for attractive returns from Hermosa's first development stage

Feasibility study highlights

Annual average production	~290kt ZnEq in the steady state years
Initial operating life ^(a)	Increased to ~28 years in the feasibility study
Operating unit costs	~US\$86/t ore processed (AISC of ~US\$0.16/lb Zn)
Pre-production capital ^(b)	~US\$2,160M
Sustaining capital (average)	~US\$36M per annum
EBITDA (average) ^(c)	~US\$400M per annum
EBITDA margin (average) ^(c)	~50%
Free cash flow (average) ^(c)	~US\$320M per annum (post tax)
Net present value	~US\$686M (post tax)
Internal rate of return	~12% (post tax)



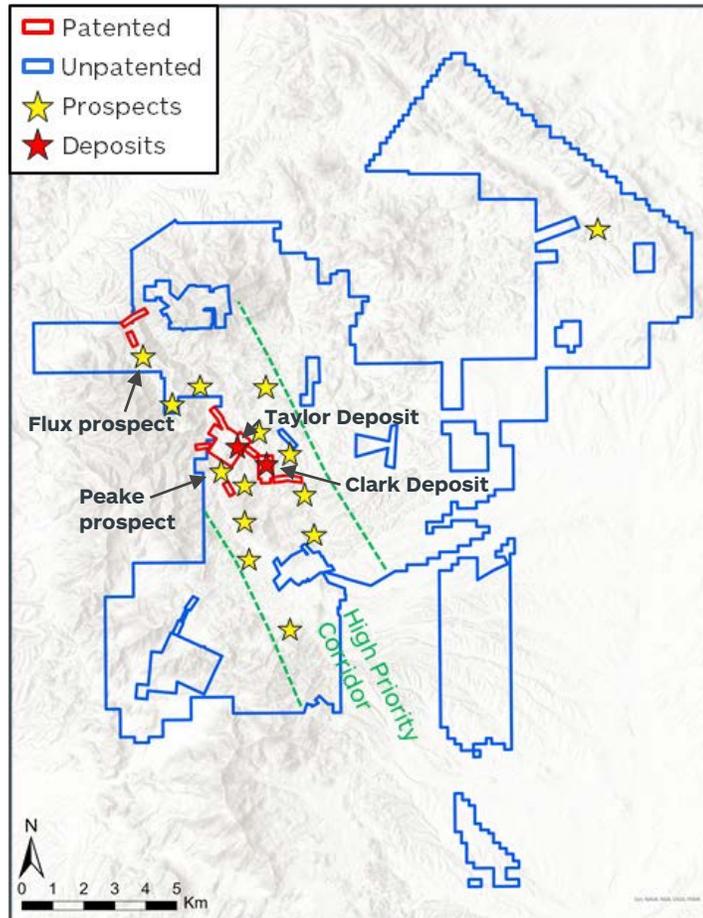
Notes:

- a. Refer to important notices (slide 2) for additional disclosure.
- b. Pre-production direct and indirect capital expenditure from January 2024 to first expected production in H2 FY27.
- c. Average over steady state production years (FY30 to FY51).

5 UNLOCKS HERMOSA'S REGIONAL SCALE POTENTIAL

Infrastructure established at Taylor will unlock value for potential development stages at Hermosa

Hermosa land package



Taylor zinc-lead-silver deposit

Development approved with first production expected H2 FY27^(a)

Clark battery-grade manganese deposit

A second planned growth phase at Hermosa, with potential to add exposure to the rapidly forming North American EV market²¹

Regional resource growth potential

Further drilling at the Peake and Flux prospects underway to follow-up high grade copper and zinc exploration results^{7,(a)}

Taylor will establish significant shared infrastructure to support additional growth phases at Hermosa

- All dewatering infrastructure to enable access across both Taylor and Clark deposits
- Permanent 138kV transmission line to provide all site power
- Connecting road to state highway for outbound logistics
- Shared site infrastructure, including paste plant and maintenance facilities
- Potential synergies from an integrated underground mining development of Taylor and Clark

Notes:

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



SOUTH32



FINANCIAL RESULTS

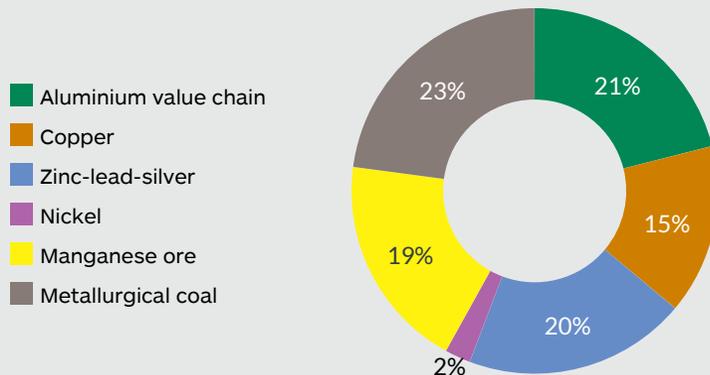


PERFORMANCE ANALYSIS

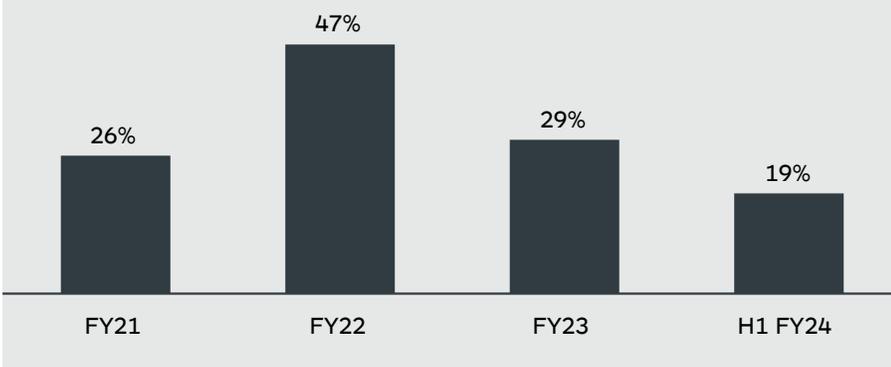


Commodity price headwinds in H1 FY24 translated to lower margins, while controllable costs were well managed despite inflationary pressures

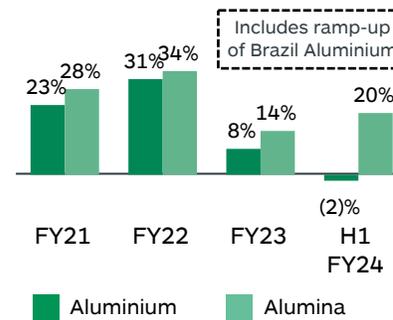
H1 FY24 Underlying EBITDA contribution by commodity^{(a)(b)(c)}



Group operating margin^{5,(d)}



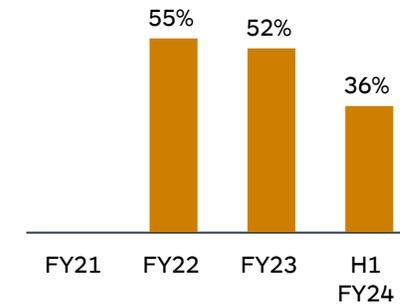
Aluminium & alumina operating margin



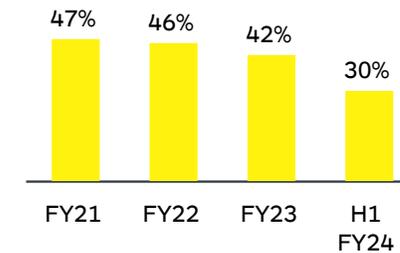
Nickel operating margin



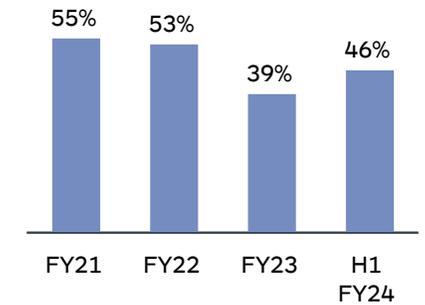
Copper operating margin^(c)



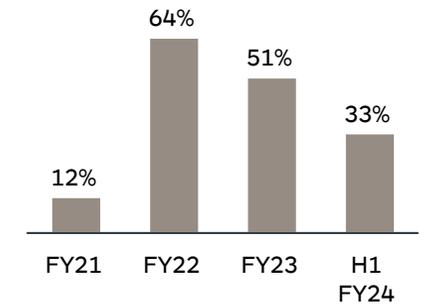
Manganese ore operating margin²²



Zinc-lead-silver operating margin



Metallurgical coal operating margin^(b)

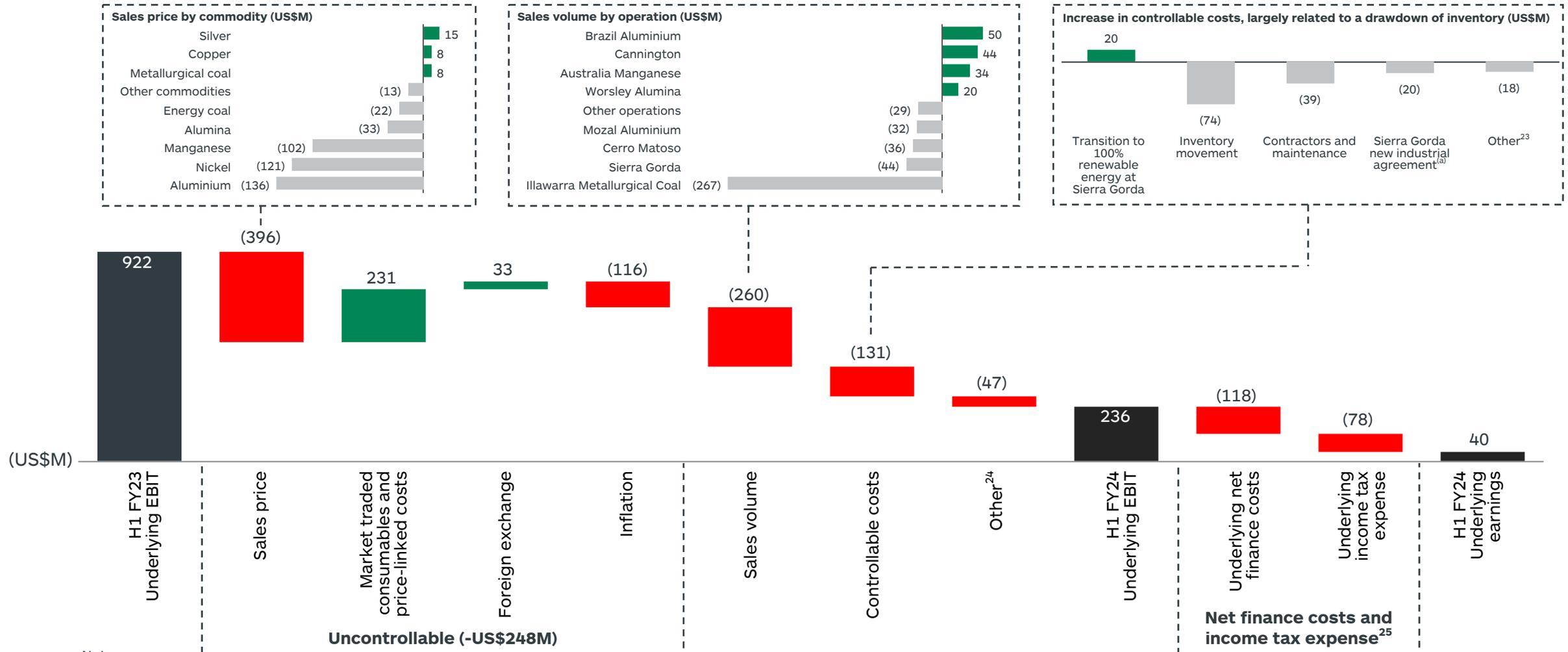


Notes:

- 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 EAls on a proportional consolidation basis.

EARNINGS ANALYSIS

Lower commodity prices, and a reduction in metallurgical coal volumes due to planned longwall moves, more than offset the benefit of our disciplined cost management and lower raw material input prices

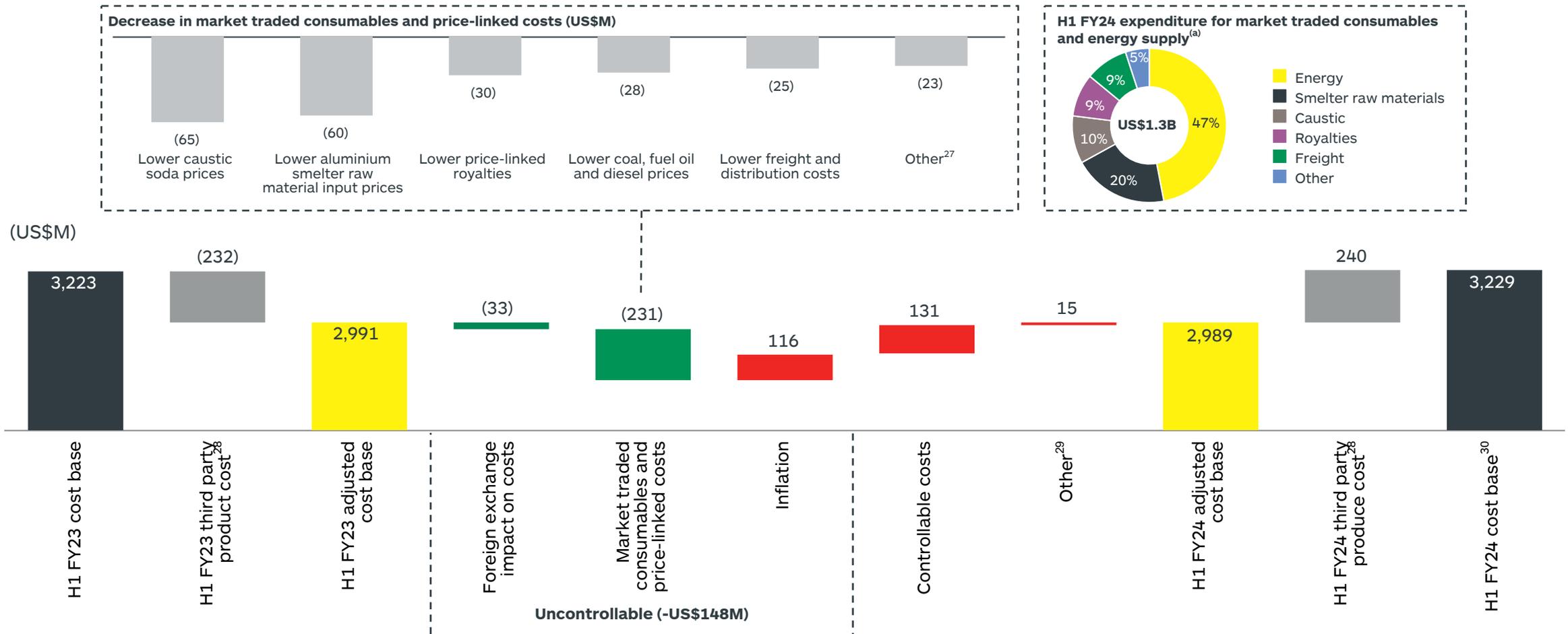


Notes:

a. Refers to a planned workforce payment following the finalisation of a new three-year industrial agreement.

COST ANALYSIS

We held controllable cost increases to ~4% of the Group's cost base²⁶ despite broad inflationary pressures, while raw material input prices declined from elevated levels in the prior period



Notes:

a. Refers to H1 FY24 expenditure for market traded consumables and price-linked costs, as well as the energy supply contracts for Hillside Aluminium and Mozal Aluminium. Other includes bauxite consumption at Brazil Alumina.

CASH FLOW ANALYSIS

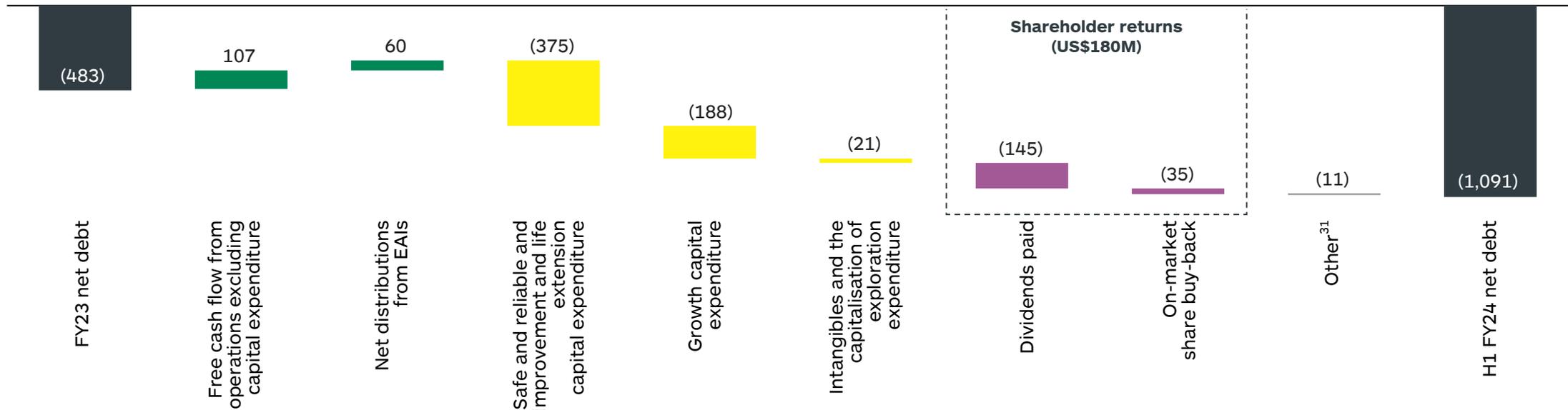


Cash generation reflected temporary working capital impacts and our investments to unlock future volumes, while we returned US\$180M to shareholders in the period

Free cash flow from operations, including EAI distributions, reflected:

- A build in working capital in H1 FY24 (-US\$276M), as receivables increased due to the timing of shipments at the end of the period, and a temporary increase in our high-value aluminium inventory position as three shipments from Hillside Aluminium slipped to January 2024 due to port congestion
- Net distributions of US\$42M from our manganese EAI and US\$18M from our Sierra Gorda EAI, as both businesses invested in projects to unlock future volumes
- Higher Group capital expenditure (-US\$168M) as we invested in productivity, improvement and growth projects, including elevated capital expenditure at Illawarra Metallurgical Coal as we transition Appin to a more efficient single longwall configuration from FY25, and additional ventilation capacity to enable mining to Appin's Area 7 until at least 2039^(a)

(US\$M)



Notes:

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

BALANCE SHEET

We continue to prioritise a strong balance sheet and investment grade credit rating through all cycles

December 2023 net cash/(debt) (US\$M)



- **Finished the period with net debt of US\$1.1B** following our investment in projects to grow future volumes, a temporary build in working capital, and shareholder returns
- **Our liquidity position remains strong**, with US\$0.7B cash on hand³² and an undrawn US\$1.4B sustainability-linked revolving credit facility^(a)
- **Total debt of US\$1.8B is predominantly long-dated and includes:**
 - ~US\$700M senior unsecured notes due in 2032³³
 - US\$579M Worsley Alumina co-generation lease expiring in 2039³⁴
 - Other leases and facilities
- **Our current BBB+/Baa1 credit ratings were re-affirmed** by S&P Global Ratings and Moody's, respectively³⁵, which reflects our strong balance sheet and continued disciplined approach to capital allocation
- **We have taken action to manage our balance sheet position** and ensure we retain the right balance of flexibility, efficiency and prudence:
 - Completed a Group-wide review that has identified further cost and capital efficiencies, supporting a reduction in expenditure in FY24 and FY25
 - While we have taken the decision to cancel our on-market share buy-back^(b), we will continue to assess opportunities to return excess cash to shareholders in the most efficient and value accretive manner, consistent with our unchanged capital management framework and in the context of our financial position

Notes:

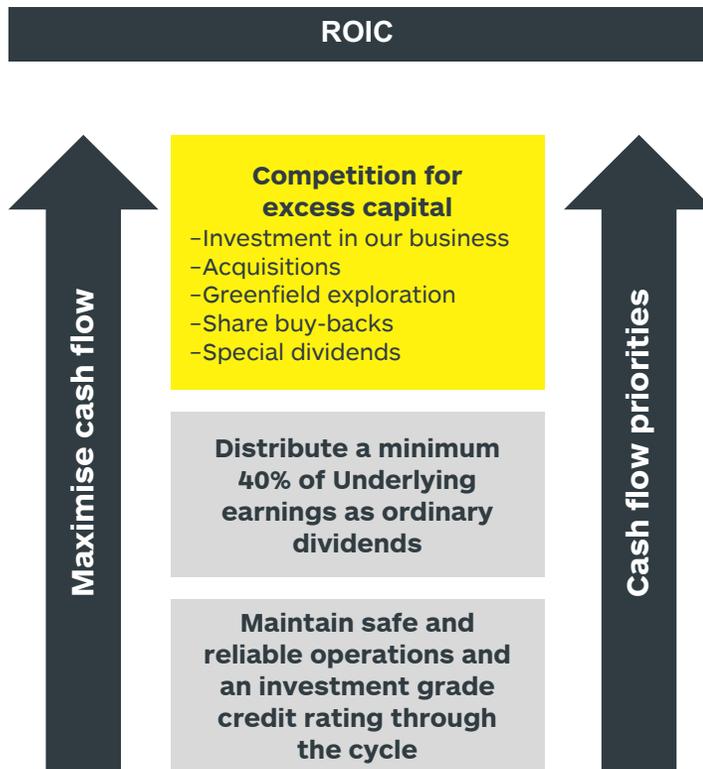
a. US\$1.4B to December 2027 and US\$1.3B to December 2028.

b. The on-market share buy-back was due to expire on 1 March 2024. The US\$98M remaining in the program will be retained by the Group.

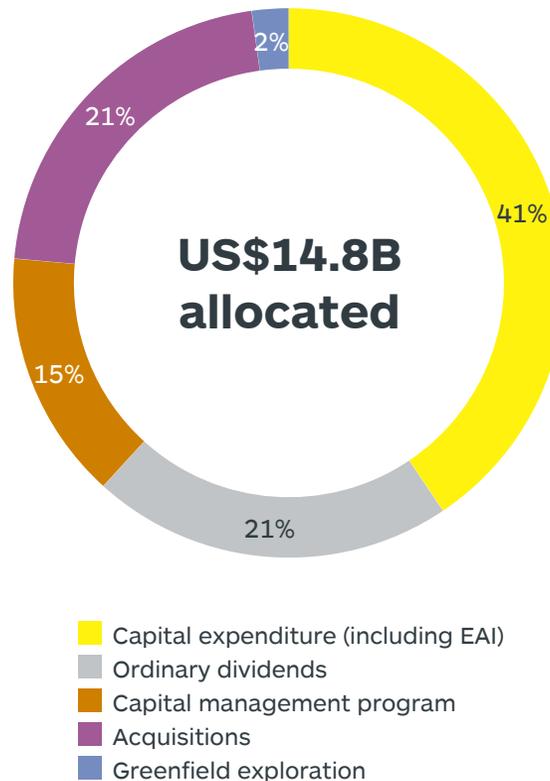
CAPITAL MANAGEMENT FRAMEWORK

Our unchanged capital management framework supports investment in our business and is designed to reward shareholders as our financial performance improves

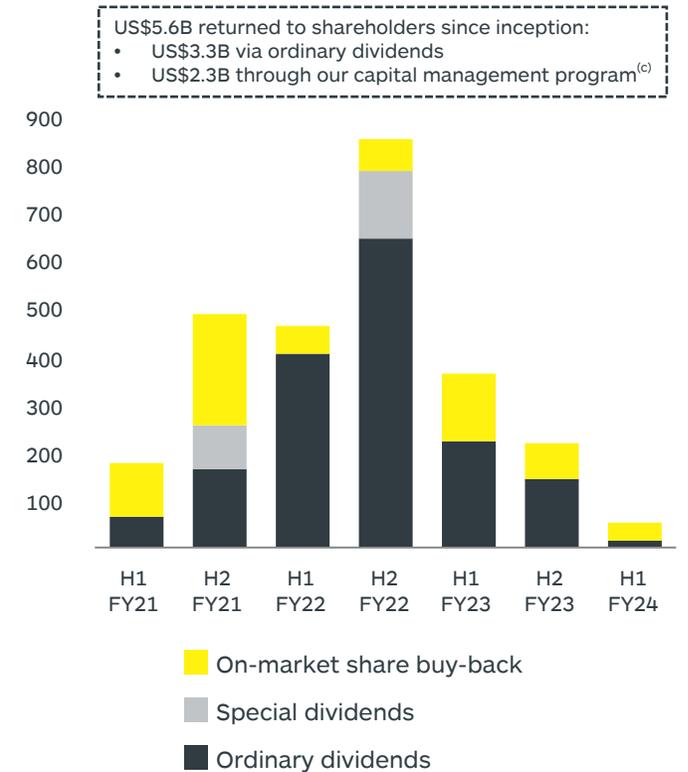
Capital management framework



Capital allocation since FY16^(a) (US\$M)



Shareholder returns^(b) (US\$M)



Notes:

- a. Total capital allocation since FY16 includes a net cash reduction of US\$0.7B.
- b. Shareholder returns refers to dividends declared in respect of each period and on-market share buy-back amounts paid during each period.
- c. Includes US\$1.74B via our on-market share buy-back and US\$0.53B via special dividends.

OUR SHAREHOLDER RETURNS



Our flexible capital management program has been active since FY17

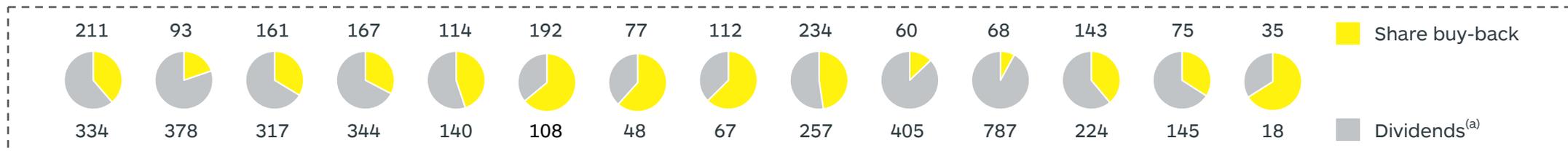
Our on-market share buy-back has reduced shares on issue by 15%

We will continue to assess the most efficient and value accretive manner to return excess capital to shareholders

Cumulative EPS³⁶ (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. Ordinary and special dividends resolved to be paid in respect of the period.



OUTLOOK

PRODUCTION GUIDANCE

Our expected 7% production uplift in H2 FY24⁸ and focus on driving operating performance places us in a strong position to capture higher margins as market conditions improve

Alumina (kt)



Worsley Alumina expected to deliver at nameplate capacity

Brazil Alumina recovering from third-party power outages in H1 FY24

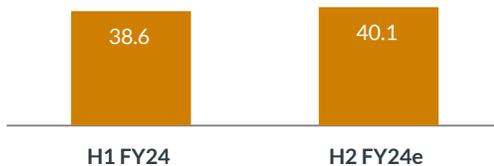
Aluminium (kt)



Continued ramp up of the low-carbon Brazil Aluminium smelter

Mozal Aluminium to increase the number of pots in operation across CY24

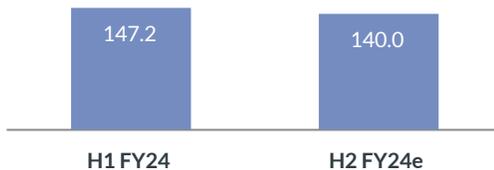
Copper equivalent³⁷ (kt)



Plant de-bottlenecking project, and higher planned copper grades in H2 FY24 and FY25

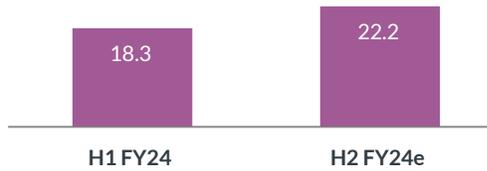
Molybdenum plant performance and recoveries expected to improve from Q4 FY24

Zinc equivalent³⁸ (kt)



We continue to monitor the impact of severe wet weather following Tropical Cyclone Kirrily

Nickel (kt)



OSMOC project expected to support higher nickel grades in H2 FY24

Manganese ore (Mwmt)



Australia Manganese to lift PCO2 production from Q4 FY24

South Africa Manganese to continue to optimise use of higher cost trucking

Metallurgical and energy coal (Mt)



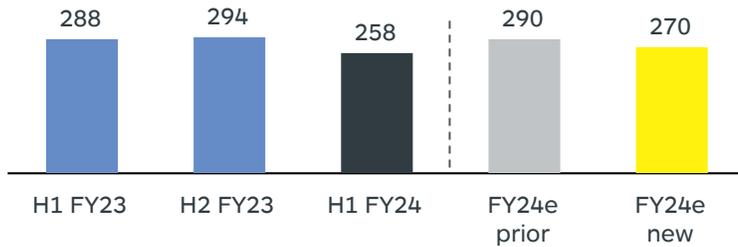
Volumes remain weighted to H2 FY24 due to the timing and duration of longwall moves

■ Metallurgical coal
■ Energy coal

OPERATING UNIT COSTS PERFORMANCE AND GUIDANCE

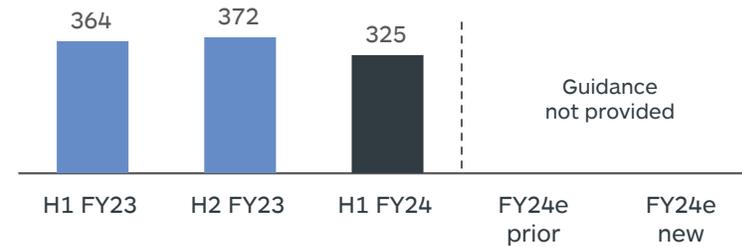
FY24 Operating unit cost guidance has been lowered or maintained across the majority of our operations^(a)

Worsley Alumina (US\$/t)^{39,40}



FY24e guidance lowered by 7%, with lower caustic soda prices

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



H2 FY24e: expected to benefit from a further moderation in raw material input prices

Brazil Aluminium (non-operated) (US\$/t)



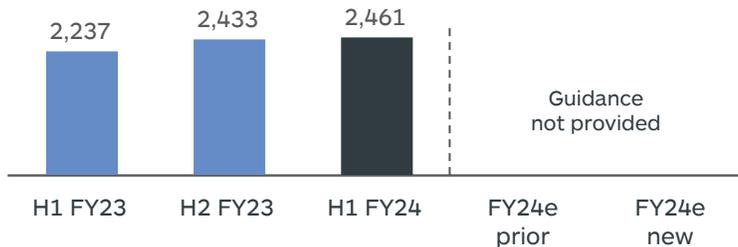
H2 FY24e: expected to benefit from higher volumes in H2 FY24 as the smelter continues to ramp up

Hillside Aluminium (US\$/t)



H2 FY24e: 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)



H2 FY24e: expected to remain elevated in H2 FY24 as the number of pots in operation progressively improves

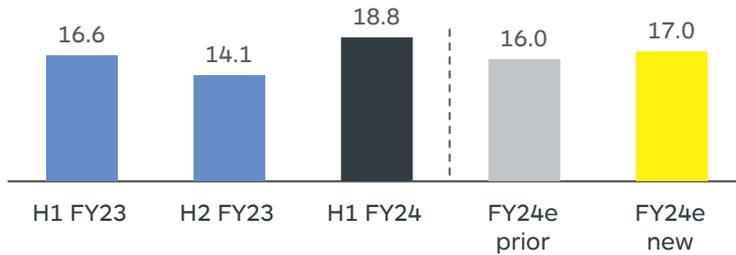
Notes:

a. For the operations which we provide Operating unit cost guidance.

OPERATING UNIT COSTS PERFORMANCE AND GUIDANCE

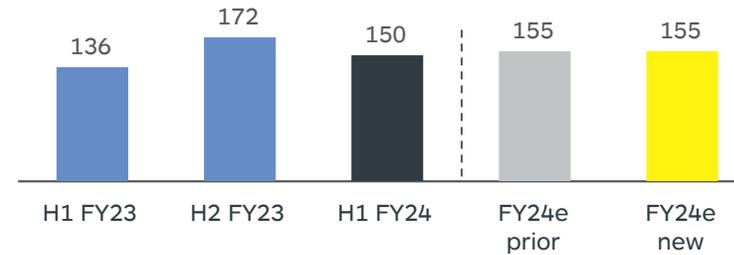
FY24 Operating unit cost guidance has been lowered or maintained across the majority of our operations^(a)

Sierra Gorda (non-operated) (US\$/t)^{39,40,41}



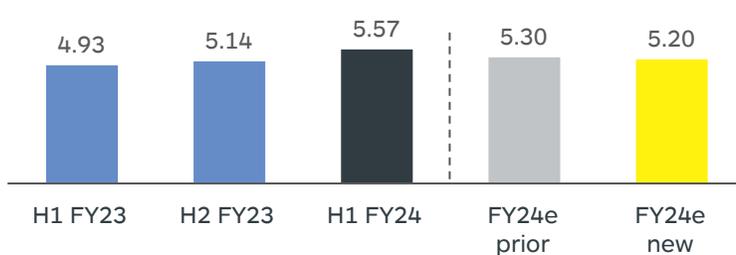
FY24e guidance increased by 6%, with sequentially lower costs in H2 FY24 following a workforce payment in H1 FY24 in relation to a new three-year industrial agreement

Cannington (US\$/t)^{39,40,41}



FY24e guidance unchanged

Cerro Matoso (US\$/lb)^{39,40}



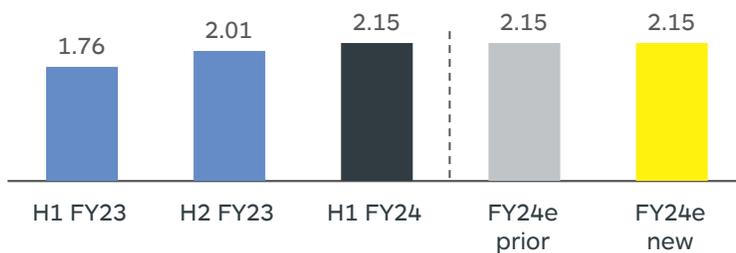
FY24e guidance lowered by 2%, with further cost efficiencies and higher volumes expected in H2 FY24

Illawarra Metallurgical Coal (US\$/t)^{39,40}



FY24e guidance increased by 7%, with higher price-linked royalties as a result of higher metallurgical coal prices

Australia Manganese ore (US\$/dmu)^{39,40,42}



FY24e guidance unchanged

South Africa Manganese ore (US\$/dmu)^{39,40,42}



FY24e guidance unchanged

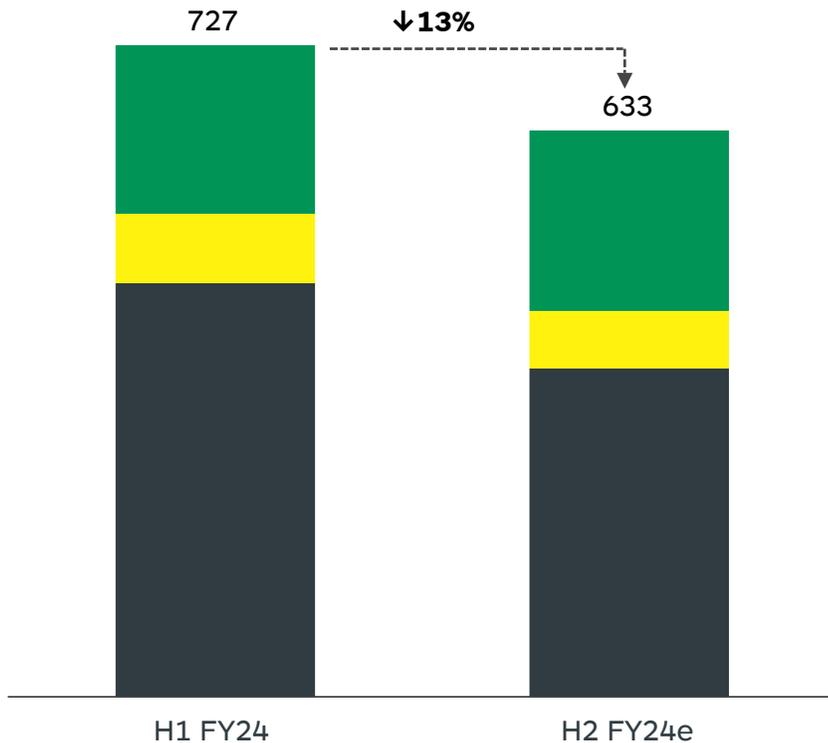
Notes:

a. For the operations which we provide Operating unit cost guidance.

CAPITAL EXPENDITURE GUIDANCE

FY24 Group safe and reliable and improvement and life extension capital expenditure guidance^(a) revised down by US\$60M (or 6%), through capital efficiencies and deferral of certain non-critical projects

Capital expenditure^(a)
(US\$M)



Growth capital (FY24e set at US\$390M following final investment approval for Taylor)

- Construction, development and work programs for Taylor (~US\$370M)
- Critical path infrastructure and studies for Clark (~US\$20M)

Improvement and life extension capital (FY24e ↓ US\$10M to US\$140M)

- Decarbonisation and energy security projects at Worsley Alumina
- Plant De-bottlenecking Phase Two project at Brazil Alumina
- Plant de-bottlenecking, and fourth grinding line feasibility study at Sierra Gorda
- Eastern Lease South life extension project at Australia Manganese
- New mining areas and rail infrastructure upgrades at South Africa Manganese

Safe and reliable capital (FY24e ↓ US\$50M to US\$830M)

- Guidance reflects further capital efficiencies and the deferral of certain non-critical projects
- Safe and reliable capital projects include:
 - Worsley Alumina: infrastructure to enable access to new mining areas
 - Sierra Gorda: deferred stripping activity and tailings storage infrastructure
 - Illawarra Metallurgical Coal: single longwall transition at Appin from H2 FY25, and additional ventilation capacity to enable mining in the current Area 7 until at least 2039^(b)

Notes:

- Inclusive of our manganese and Sierra Gorda EAs.
- Refer to important notices (slide 2) for additional disclosure.

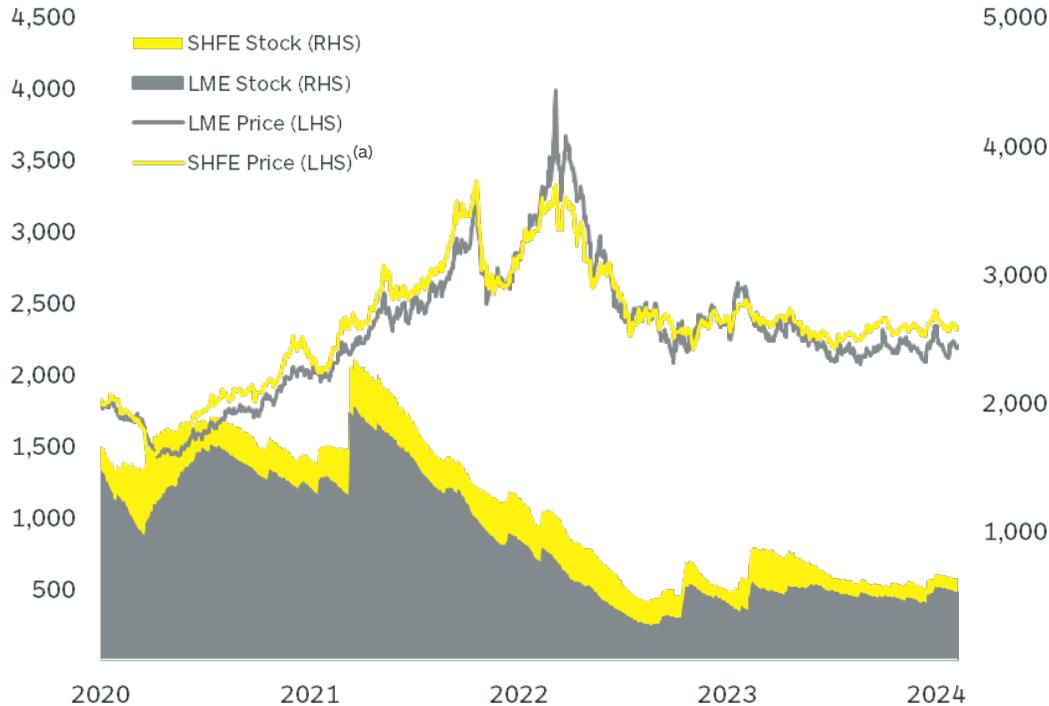
ALUMINIUM MARKET

Improving global demand combined with low inventories expected to support prices in CY24

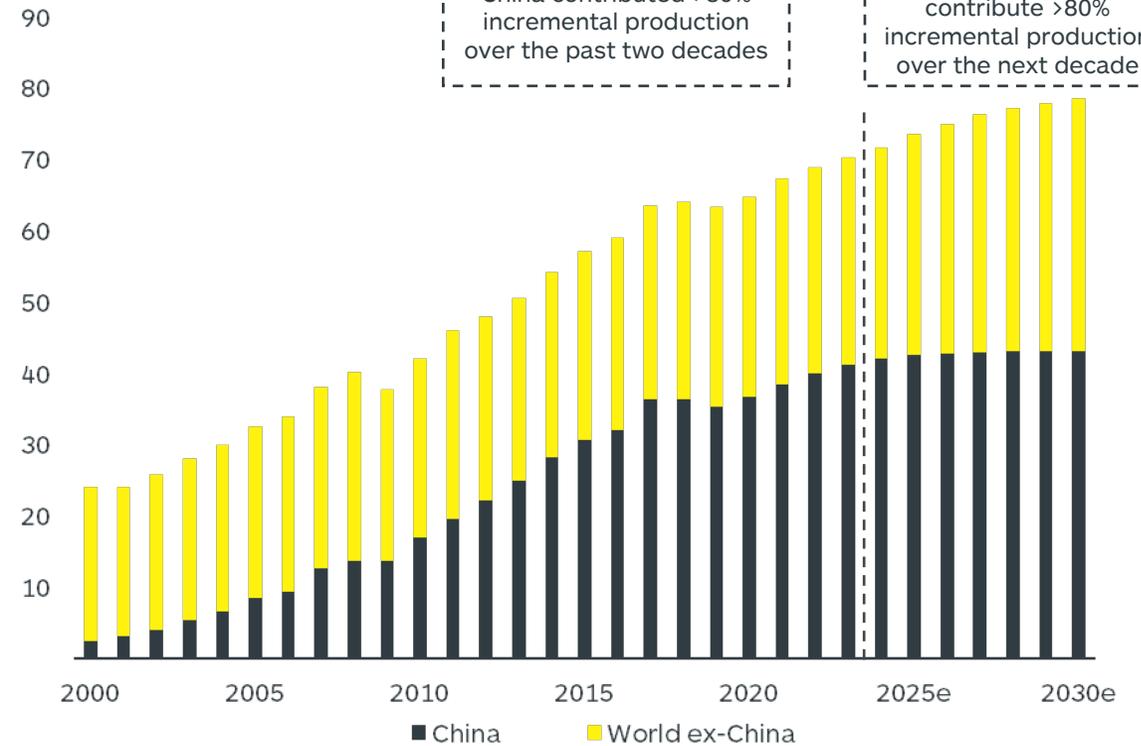
With China's smelting capacity expected to be capped at 45Mt, the rest of the world is required to invest in new smelting capacity to meet demand

Attractive long-term price outlook supported by global energy transition and higher cost inducement projects ex-China

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



Aluminium production
(Mt)



China contributed >80% incremental production over the past two decades

Ex-China forecast to contribute >80% incremental production over the next decade

Sources: LME, SHFE (Shanghai Futures Exchange). Aluminium production (CRU).

Notes:

a. SHFE prices refer to SHFE excluding VAT of 13% (from 1 April 2019), 16% (from May 2018) and 17% prior to that.

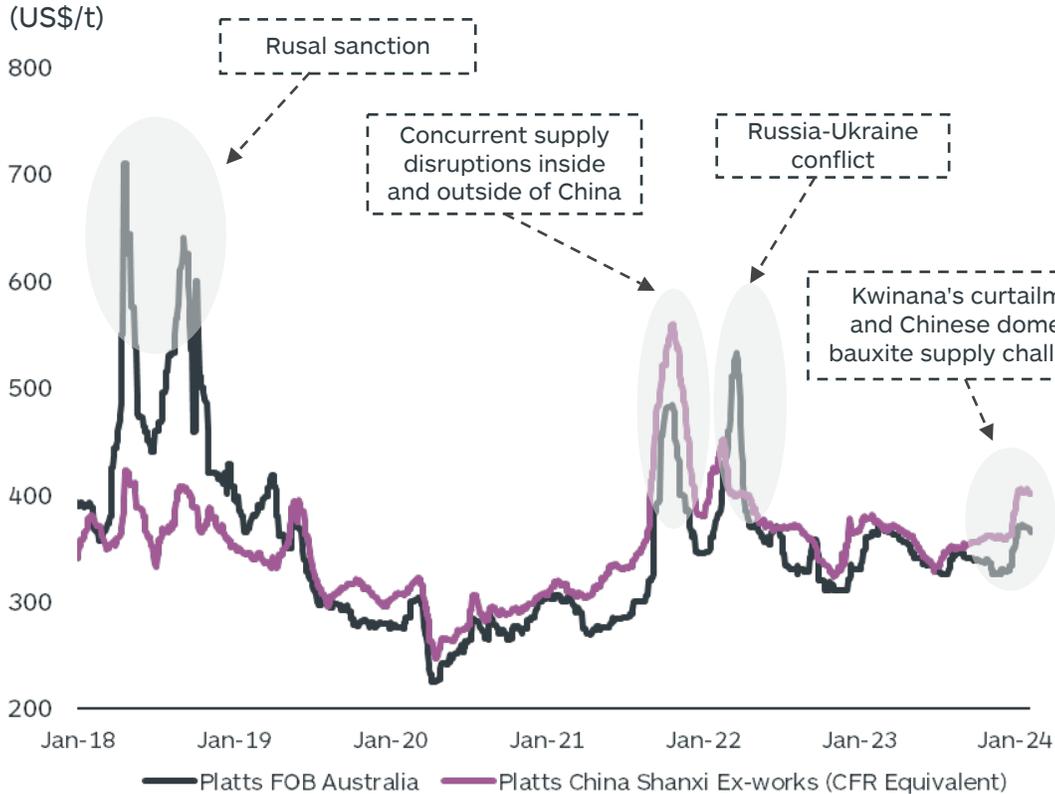
ALUMINA MARKET

Chinese bauxite supply challenges and ex-China refinery curtailments have tightened the market

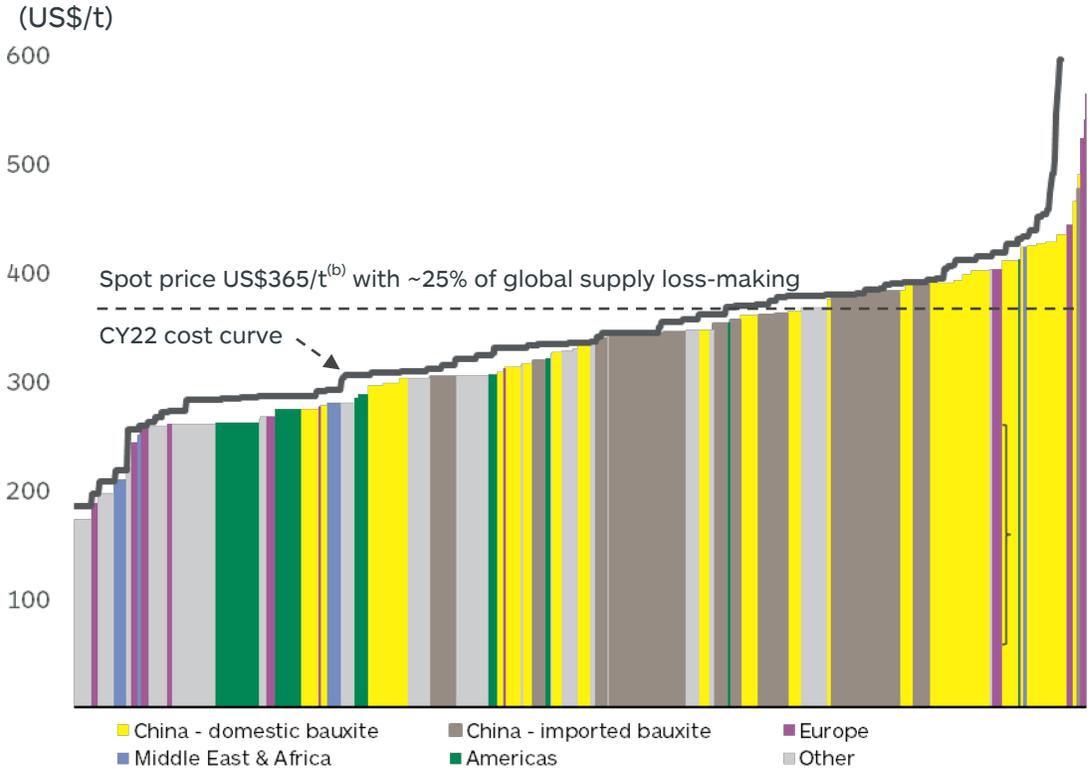
Further refinery curtailments could add to the market deficit in H2 CY24, with ~25% of global supply loss-making in CY23

Future builds are expected from outside of China due to declining Chinese bauxite self-sufficiency and environmental policies

Alumina prices



Alumina cost curve (CY22 and CY23)^(a)



Sources: Alumina prices (Platts). Alumina cost curve (CRU).

Notes:

a. Illustrates business costs which represent cash costs net of premiums (normalised to FOB Australia price).

b. Spot price as of 7 February 2024.

COPPER MARKET

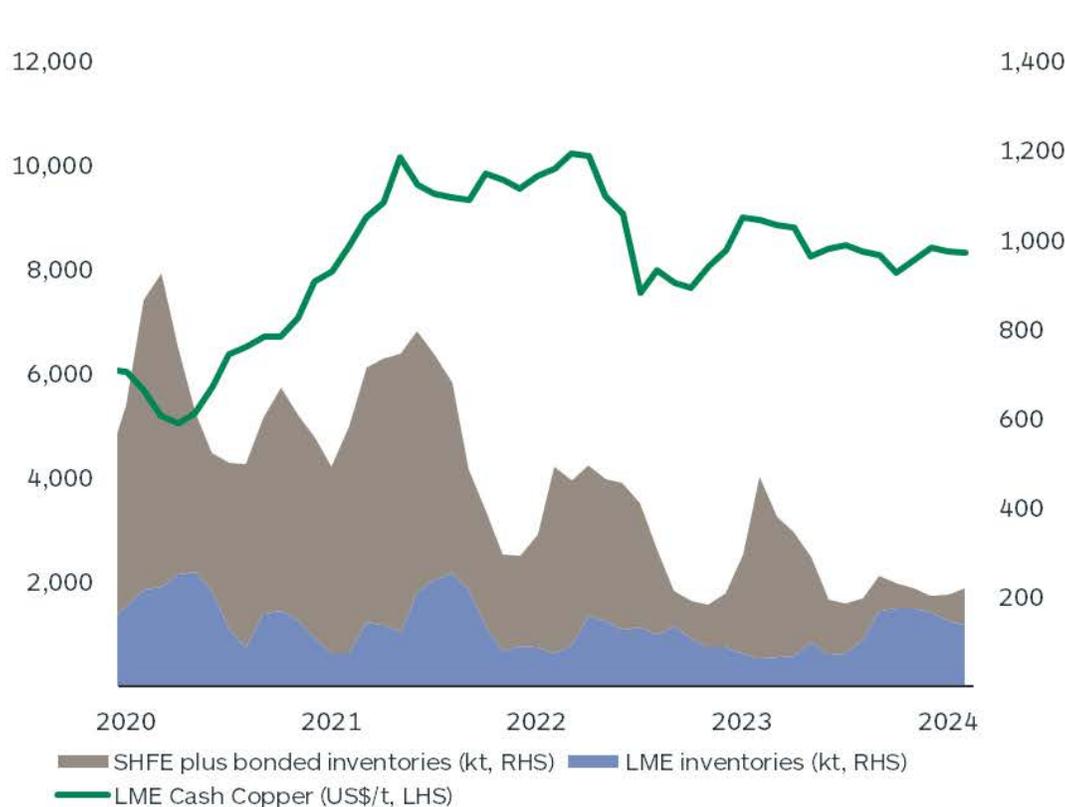


Global mine supply disruptions (~4% of the concentrate market) and low inventories to support price

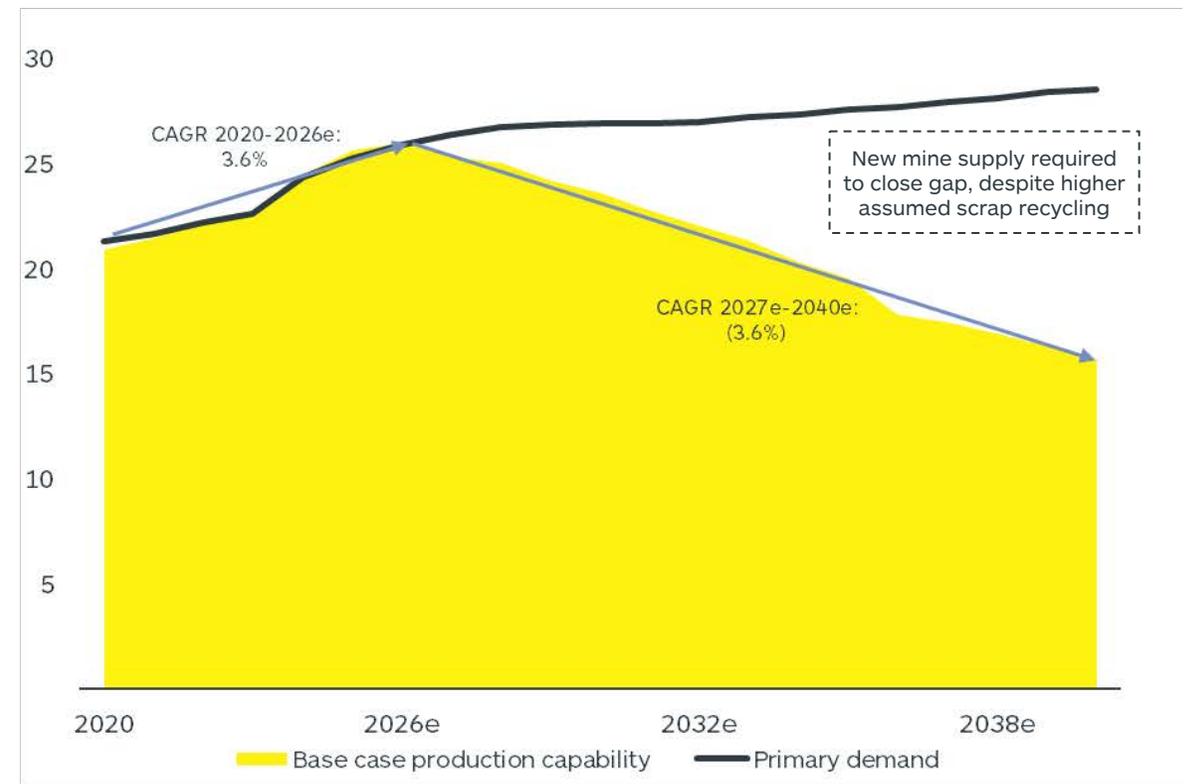
Strong long-term demand supported by renewable energy additions and rising electric vehicle penetration

Projected demand and supply gap by 2040e equivalent to requiring an additional ~1Mt of copper production each year

Global copper price and inventories
(US\$/t, LHS; kt, RHS)



Total mine production capability versus primary demand
(Mt Cu)



Sources: Global copper prices (LME, SHFE (Shanghai Futures Exchange)). Copper inventories (Fastmarkets). Total mine production capability versus primary demand (Wood Mackenzie Global Copper Investment Horizon Outlook (Q4 2023 dataset), South32 Analysis).

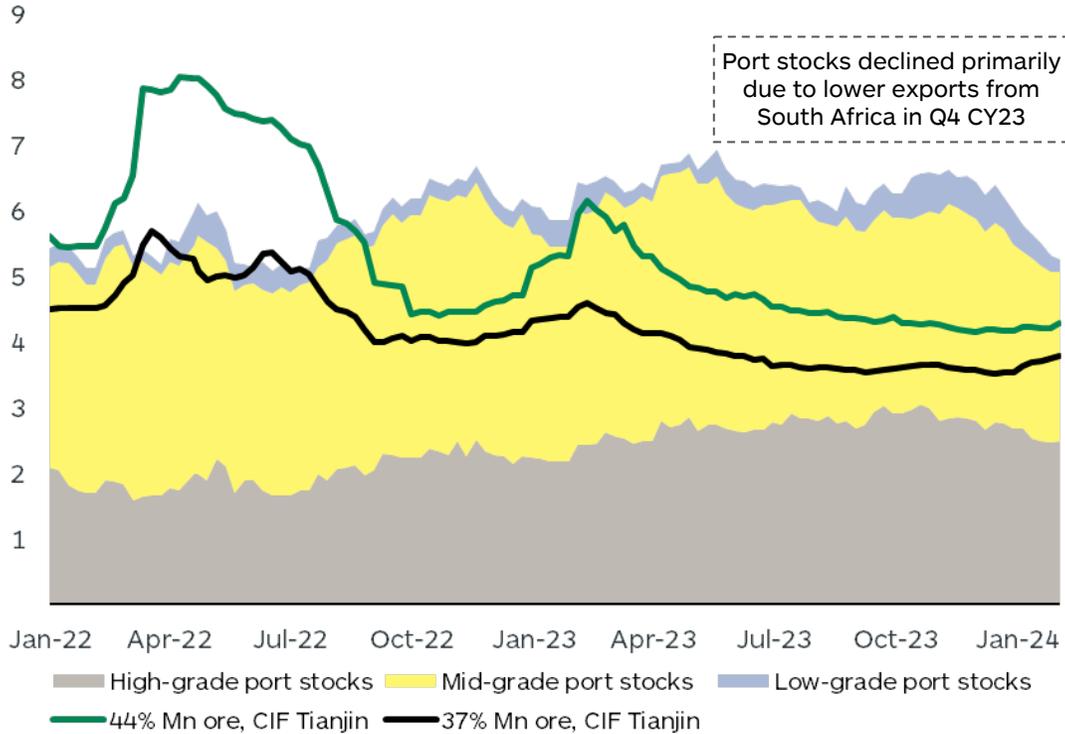
MANGANESE ORE MARKET

Price-led mine supply response and drawdown of port stocks, expected to support the market in the near-term

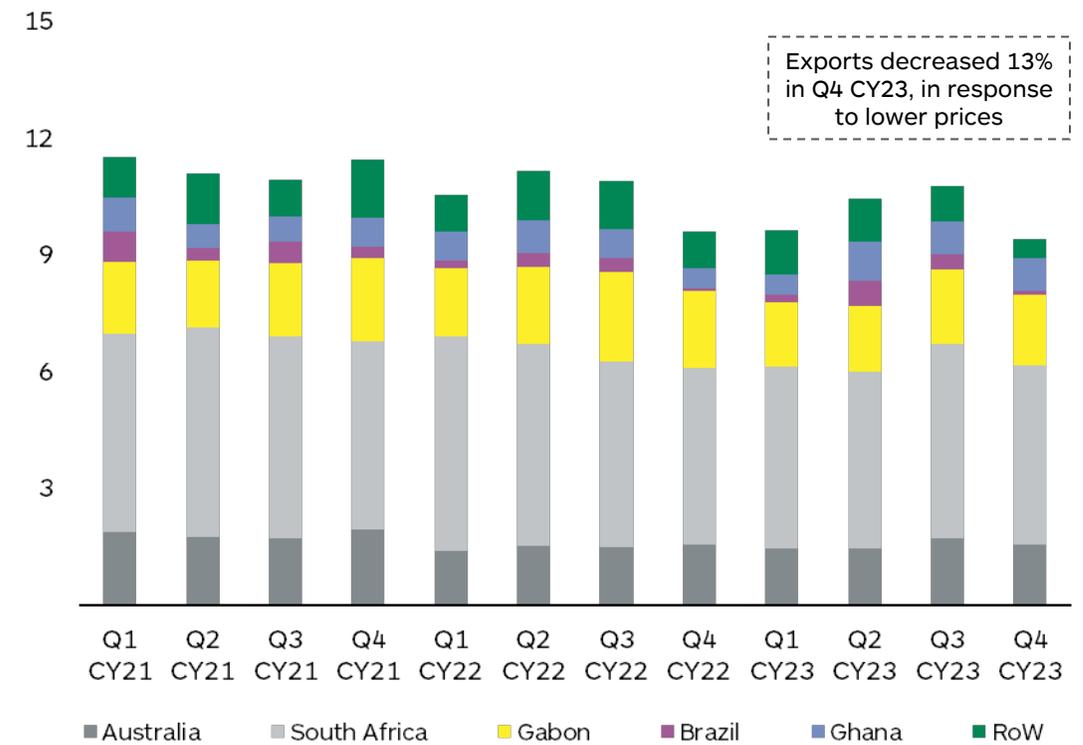
Long-term price expected to be set by marginal South African supply transitioning underground over time

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

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



Manganese ore exports by region
(Mt)



Sources: Manganese ore price and China port stocks by grade (Fastmarkets, Ferroalloy.net). Manganese ore exports by region (Global Trade Atlas customs, Aristedd).

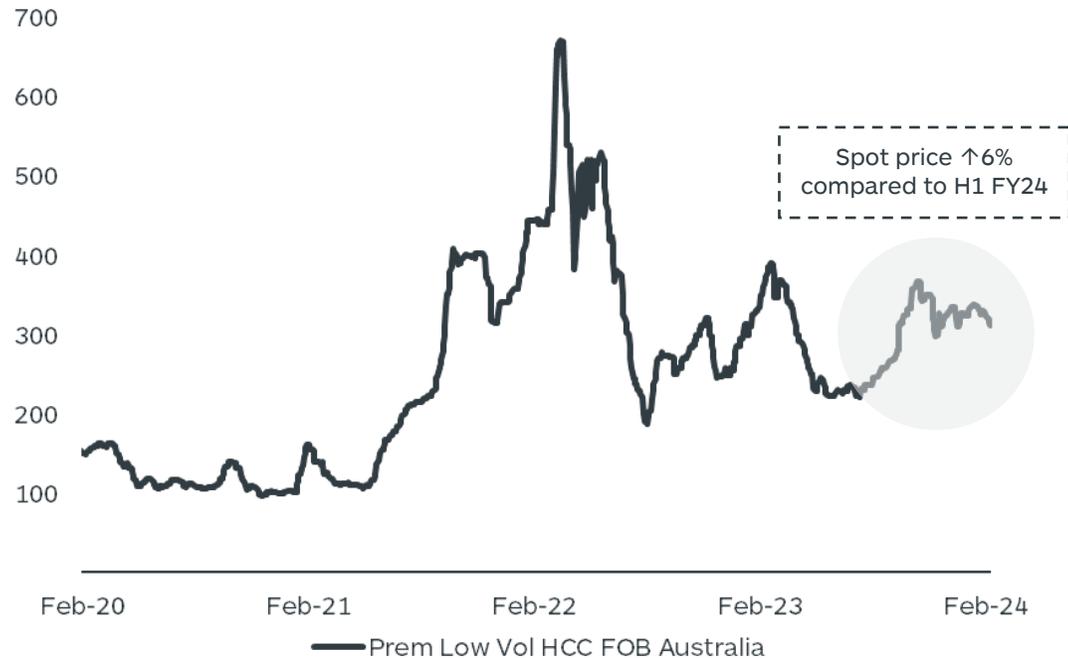
METALLURGICAL COAL MARKET

Recent price increase driven by tight Australian supply, Chinese domestic supply constraints and strong Indian demand

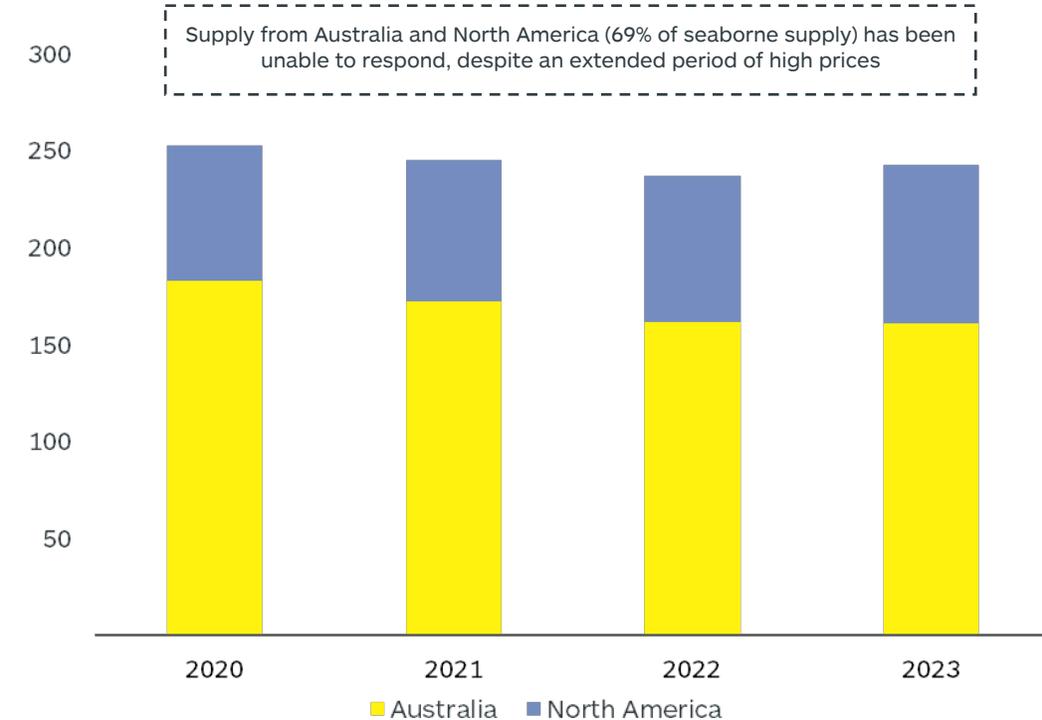
Steel output growth in India and South-east Asia, and potential Australian supply disruptions due to logistics constraints, expected to provide near-term support

Ability of supply to meet rising Asian demand for premium HCC will continue to be constrained by resource quality, challenges in infrastructure, approvals and financing

Metallurgical coal price (US\$/t)



Australia and North American metallurgical coal exports^(a) (Mt)



Sources: Metallurgical coal price (Platts, World Steel Association). Australia and North American metallurgical coal exports (IHS Markit (S&P Global) Commodities at Sea, South32 analysis).

Notes:

a. Metallurgical coal trade flow includes HCC, semi-soft coking coal and PCI.



Cerro Matoso
Brandon Pomares



SUMMARY

SUMMARY

We continue to execute our strategy and our portfolio is well positioned to capitalise on the increasing demand for commodities required for the global energy transition

We remain focused on driving operating performance and cost efficiencies across our business

Production uplift and commodity price tailwinds expected to support margin expansion in H2 FY24

Final investment approval for Hermosa's Taylor deposit is the next step in our portfolio transformation

Unlocking further value from our pipeline of growth options in commodities critical for a low-carbon future

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





HERMOSA PROJECT



TAYLOR FEASIBILITY STUDY SUMMARY

Taylor's feasibility study has confirmed the potential for a large scale, long-life, low-cost operation

Operating assumptions

Mining method	Longhole open stoping with paste backfill
Process design	Conventional sulphide ore flotation circuit
Nameplate capacity	~4.3Mtpa
Products	Zinc and lead concentrates, with silver by-product credits
Initial operating life ^(a)	~28 years
Mined ore grades (average)	3.9% Zn, 4.3% Pb, 78g/t Ag
Recoveries	~90% Zn, ~91% Pb, ~81% Ag
Metal payability	~85% Zn, ~95% Pb, ~95% Ag
Payable zinc production	~3.2Mt (~114ktpa average / ~132ktpa steady state ^(b))
Payable lead production	~4.0Mt (~142ktpa average / ~163ktpa steady state ^(b))
Payable silver production	~208Moz (~7.4Mozpa average / ~8.5Mozpa steady state ^(b))
Payable ZnEq production ¹³	~7.1Mt (~253ktpa average / ~290ktpa steady state ^(b))

Financial summary¹⁶

Operating unit costs	~US\$86/t ore processed (AISC ²⁰ of ~US\$0.16/lb Zn)
Pre-production capital expenditure ^(c)	~US\$2,160M
Sustaining capital expenditure	~US\$36M annual average
EBITDA (total / average ¹⁷)	~US\$9,541M / ~US\$400M per annum
EBITDA margin (average ¹⁷)	~50%
Free cash flow (average ¹⁷)	~US\$320M per annum (post tax)
Net present value ¹⁸	~US\$686M (post tax)
Internal rate of return ¹⁹	~12%

Notes:

- Refer to important notices (slide 2) for additional disclosure.
- Average over steady state production years (FY30 to FY51).
- Pre-production direct and indirect capital expenditure from January 2024 to first expected production in H2 FY27.

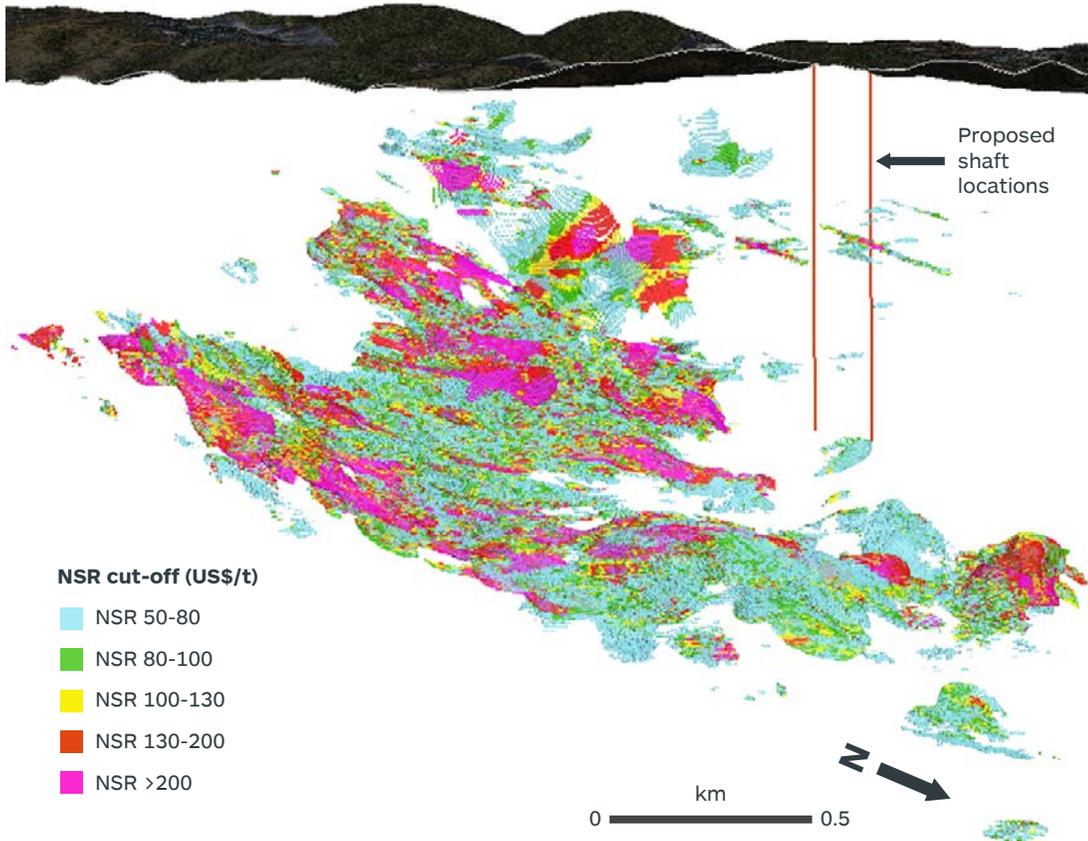
Taylor site map



TAYLOR RESOURCE & RESERVE

A large mineralised system that is expected to support high productivity and throughput

Taylor Deposit geology and mineralisation (looking south west)



Taylor Deposit Highlights

- Ore Reserve underpins first ~19 years of the mine plan^(a)
- Large orebody with a strike length of ~2.5km and a width of ~1.9km
- Extends to a depth of ~1.2km
- Comprises the upper Taylor sulphide and lower Taylor Deeps domains that have a general northerly dip of 30°
- Orebody geometry enables concurrent mining from multiple independent mining areas, supporting expected high productivity and throughput
- Deposit is open in several directions, offering the potential for further growth beyond the initial operating life of ~28 years^(a)

Taylor Deposit Ore Reserve as at 1 January 2024^(a)

Classification	Mt	Zn (%)	Pb (%)	Ag (g/t)
Probable	65	4.35	4.90	82
Total	65	4.35	4.90	82

Taylor Deposit Mineral Resource as at 30 June 2023^(a)

Classification	Mt	Zn (%)	Pb (%)	Ag (g/t)
Measured	41	4.22	4.25	67
Indicated	83	3.38	3.91	76
Inferred	28	2.96	2.97	93
Total	153	3.53	3.83	77

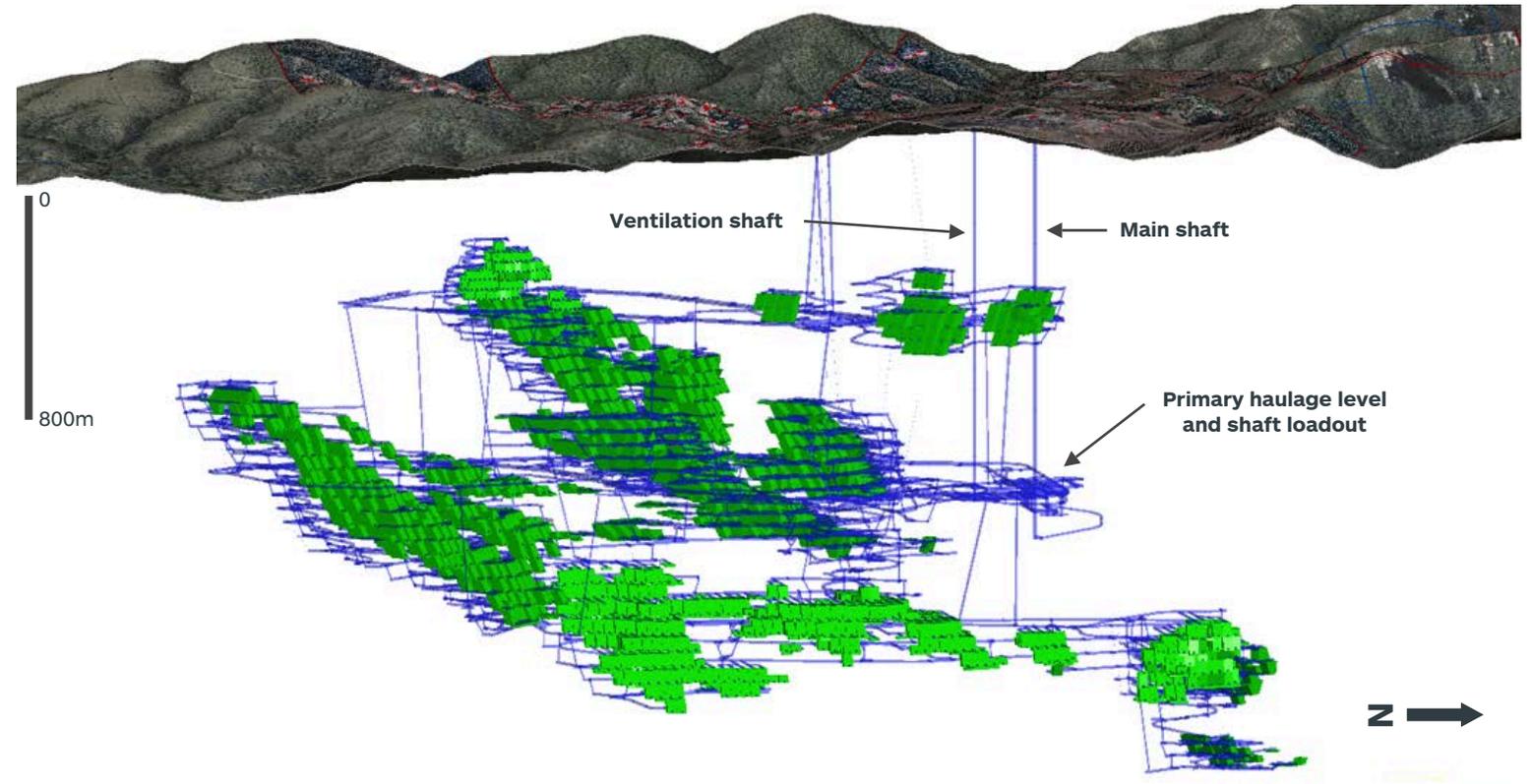
Notes:

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

TAYLOR FEASIBILITY STUDY MINE DESIGN

Mine design employs conventional methods, delivering high productivity from multiple faces

Taylor FS underground mine design



Dual shaft underground mine employing proven longhole open stoping

Multiple concurrent mining areas expected to support high productivity

Optimised mine design under FAST-41²¹ enables an efficient ramp up to nameplate capacity

Driving safety and productivity outcomes through automation and technology, including underground battery electric vehicles^(a)

Notes:

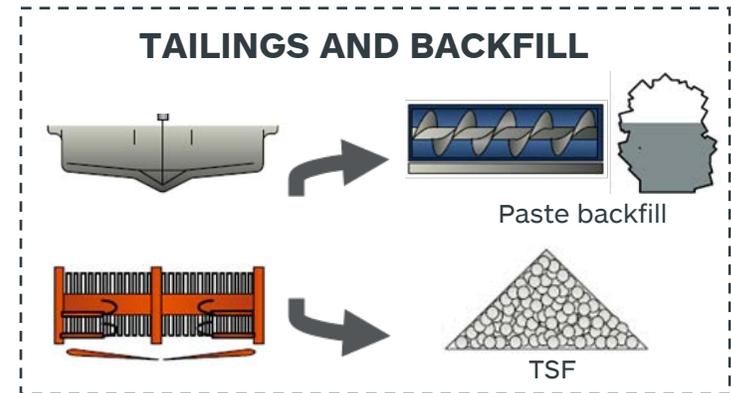
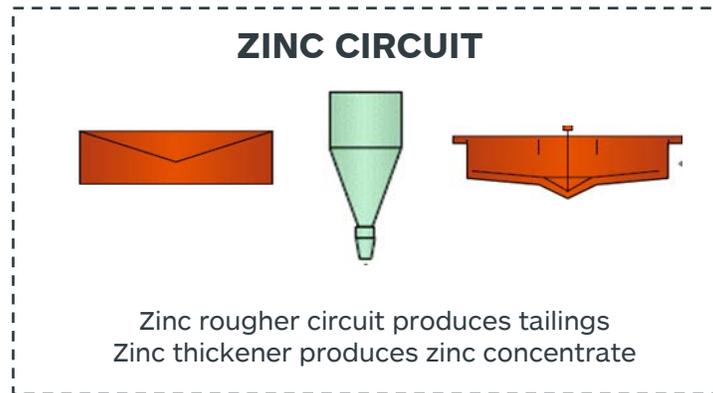
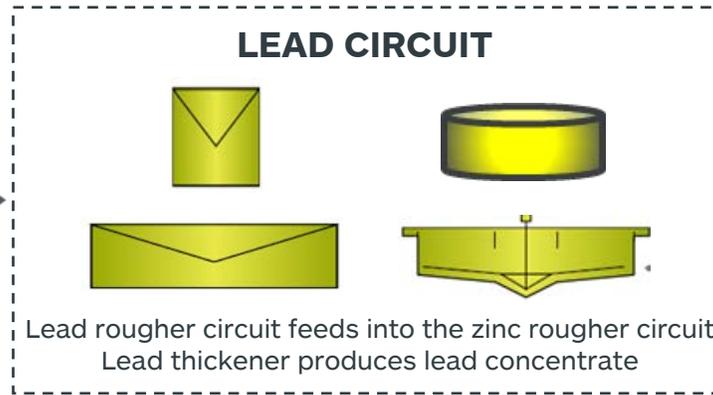
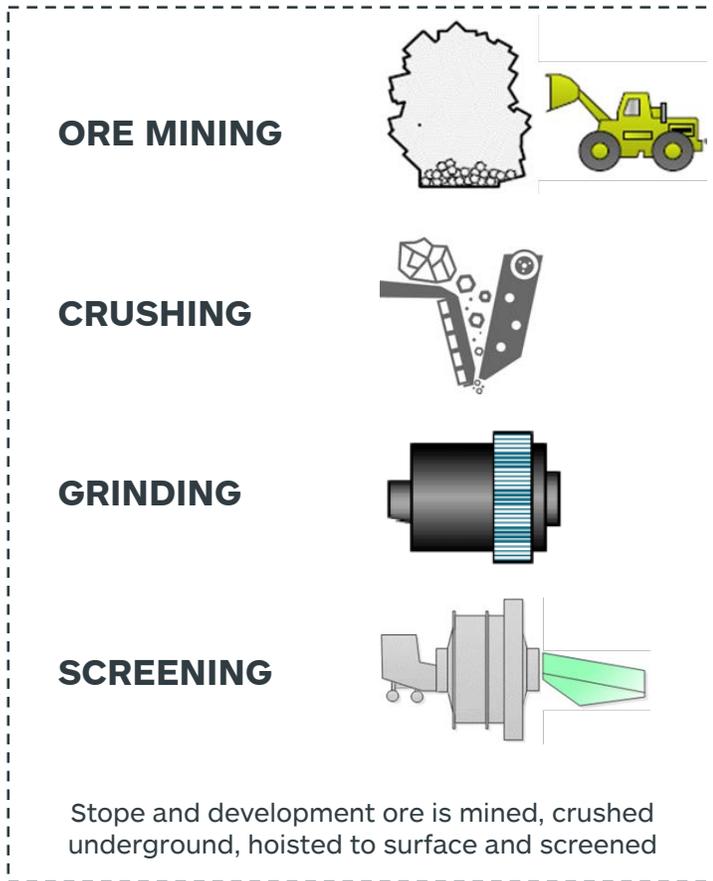
a. We have embedded flexibility in the mine design to utilise an all-electric underground fleet to reduce operational greenhouse gas emissions as these options become commercially available.

TAYLOR PROCESS DESIGN

Conventional sulphide ore flotation circuit that produces separate zinc and lead concentrates with silver credits

Flowsheet adheres to conventional principles in mining, processing, thickening and filtration

Jameson cell technology has been selected to enhance recoveries and deliver power efficiencies

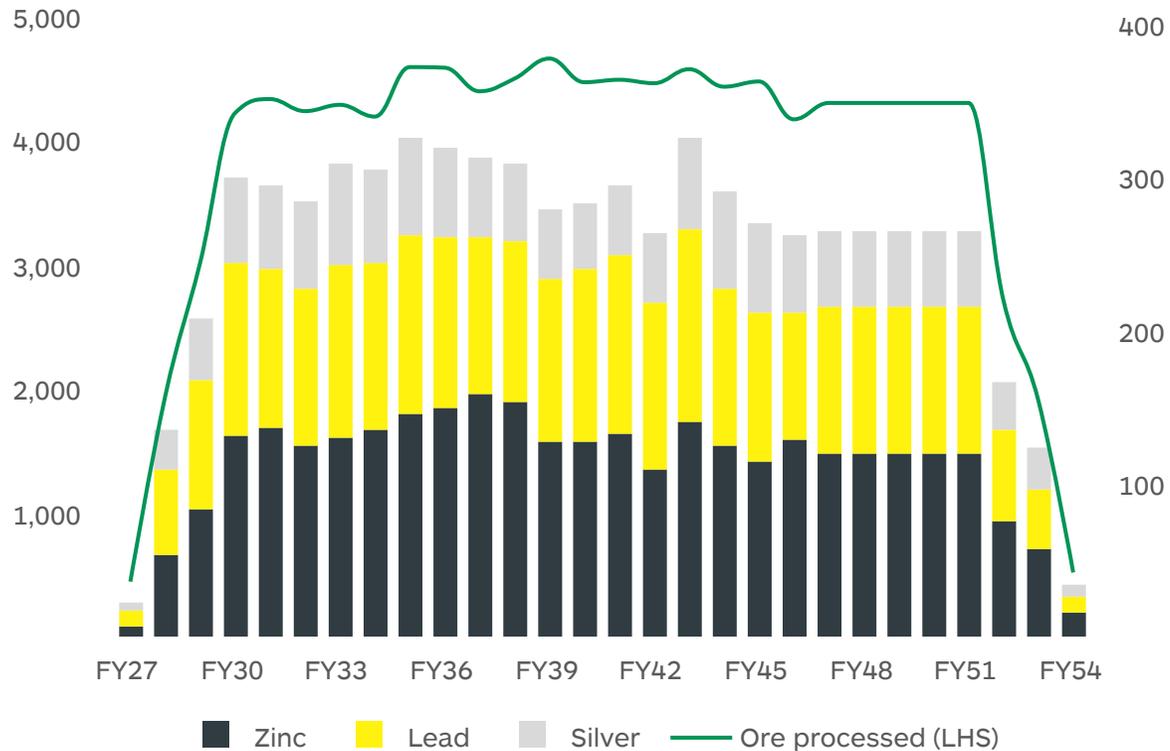


TAYLOR FEASIBILITY STUDY PRODUCTION



Highly productive mine and conventional processing plant, producing zinc and lead concentrates with silver credits

Ore processed (LHS) and payable ZnEq production¹³ (RHS)
(kt)



First production targeted in H2 FY27^(a)

We expect to achieve nameplate capacity of 4.3Mtpa in FY30

Annual average steady state production of ~290kt ZnEq

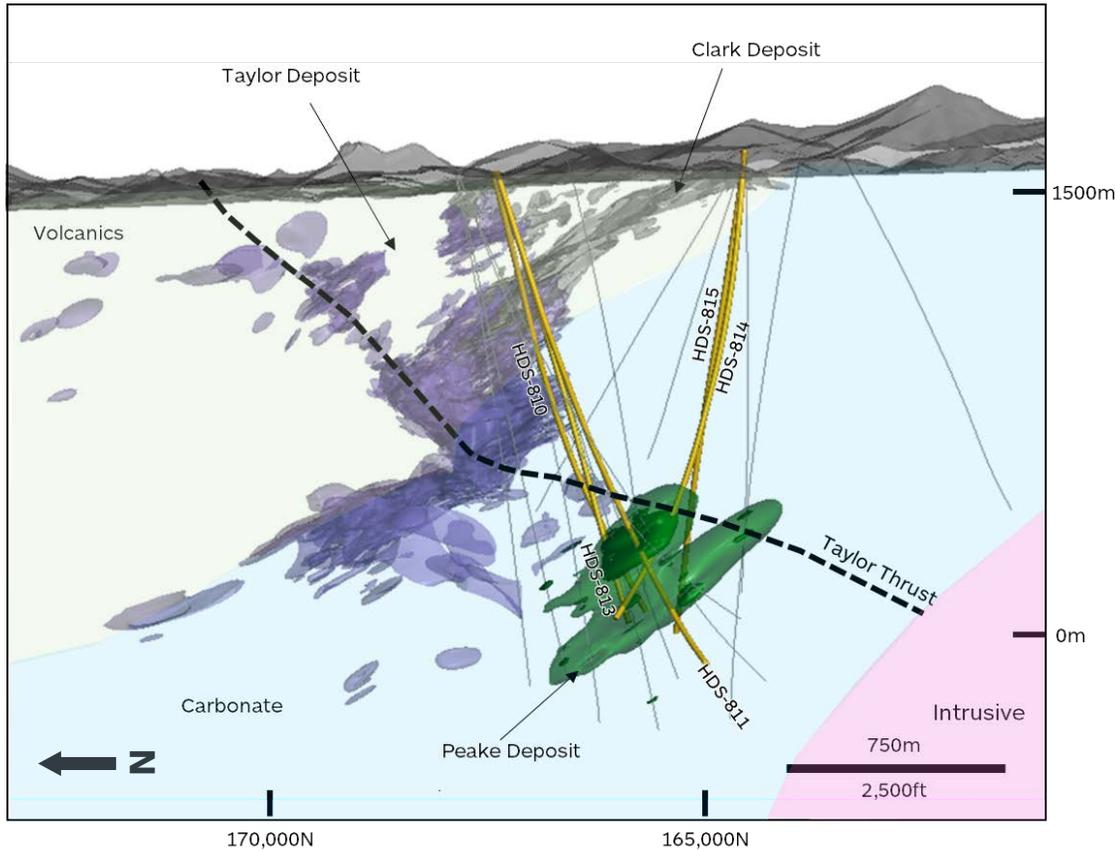
Potential to extend the initial operating life of ~28 years^(a)

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

NEAR MINE EXPLORATION POTENTIAL

Exploration results support the potential for further resource growth at the Peake copper prospect

Peake prospect (looking east)



Peake Highlights^(a)

- Exploration results indicate the potential for a continuous structural and lithology-controlled system connecting Taylor Deeps and the Peake prospect
- Recent drilling at the Peake prospect has returned high-grade copper results, including 139m @ 2.49% CuEq, including 58.2m @ 3.84% CuEq^(a)
- Peake Mid Case Exploration Target estimated at 30Mt @ 1.68% CuEq
- Further exploration drilling at Peake is planned across CY24

Ranges for the Exploration Target for Peake sulphide mineralisation (as at 1 January 2024)^(a)

	Low Case					Mid Case					High Case				
	Mt	% Zn	% Pb	g/t Ag	% Cu	Mt	% Zn	% Pb	g/t Ag	% Cu	Mt	% Zn	% Pb	g/t Ag	% Cu
Peake Sulphide	18	0.43	0.59	41	1.2	30	0.52	0.59	41	1.06	41	0.48	0.62	41	0.98

Notes:

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

CRITICAL PATH INFRASTRUCTURE

Critical path infrastructure development progressing to plan

Pre-sink construction of main access and ventilation shafts



Critical path infrastructure highlights

- Commissioned the second water treatment plant to support orebody dewatering, enabling access to both the Taylor and Clark deposits
- Four of seven dewatering wells installed, with the remaining three on-track for completion in H2 FY24
- Established the first of two planned tailings storage facilities for Taylor
- Temporary self generated power established, with construction of the 138kV permanent transmission line expected to commence in H2 FY24
- With pre-sink of both main access and ventilation shafts complete, we expect to commence construction in Q1 FY25, with completion expected H1 FY27

TAYLOR FEASIBILITY STUDY COSTS

Operating unit costs in the industry's first quartile¹⁵

Operating unit costs

- Increased by 6% to ~US\$86/t ore processed, with the benefit of lower mining costs through optimisation of the mine schedule and maintenance efficiencies, more than offset by inflationary impacts

Pre-production capital expenditure

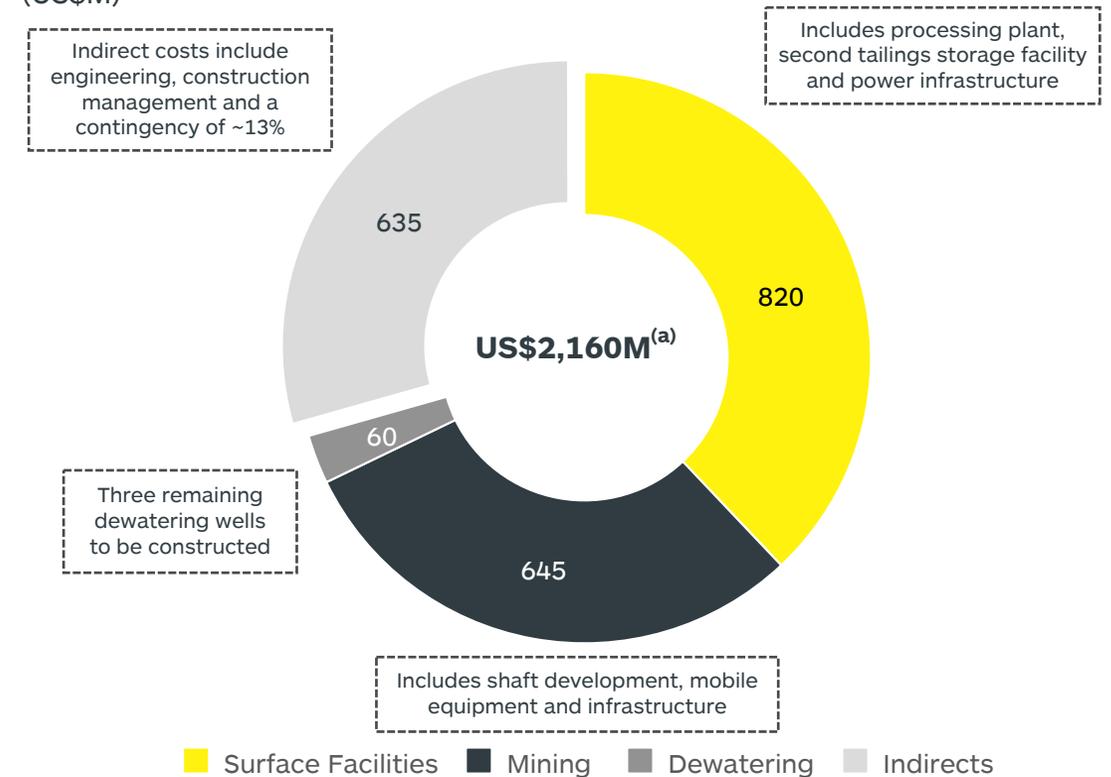
- Includes direct capital of ~US\$1,525M and indirect capital of ~US\$635M
- Increase in pre-production capital compared to the PFS reflects:
 - Significant industry wide inflationary pressure for key inputs including steel, cement and electrical components (~US\$345M)
 - Additional underground coarse ore storage and increasing mining fleet to increase system capacity (~US\$190M)
 - Cost of temporary self-generated power (~US\$125M) ahead of a permanent 138kV transmission line
 - Higher indirect costs (~US\$165M)
- Looking forward, we see potential opportunity to optimise the construction cost of Taylor as local inflationary pressures ease

Sustaining capital expenditure

- Lowered by 10% to ~US\$36M^(b) per annum with a reduction in life of mine dewatering requirements and improvements to equipment replacement

Pre-production capital expenditure of ~US\$2.16B^(a) to deliver first production

Pre-production capital expenditure (US\$M)



Notes:

a. In addition to ~US\$366M invested in critical path dewatering, site infrastructure and pre-sink shaft activities since the PFS.

b. Sustaining capital expenditure in FY27 includes US\$135M from first production until processing rates of 5,000 tonnes per day are reached.

TAYLOR TIMELINE AND APPROVALS



First production expected in H2 FY27 and nameplate production expected in FY30

Taylor FS development path



State development approvals

- We are pursuing an integrated permitting strategy for the Taylor and Clark deposits, which are both located on patented lands, meaning construction and mine development can commence with approvals from the State of Arizona
- The remaining State-based approvals for Taylor to commence operations are expected to be received by the end of H1 FY26. These include an air permit and modifications to our existing water permits for production activities

Federal development approvals

- The Federal approval process is expected to be more efficient under a FAST-41 process^(a), with a Record of Decision expected in H1 FY27
- In H1 FY24, we submitted our Mine Plan of Operations to the United States Forest Service, and subsequently received a completeness determination
- The 138kV permanent transmission line to site will require Federal approvals under the FAST-41 process with expected commissioning in H2 FY27

Notes:

- a. Surface disturbance and the development of supporting infrastructure on unpatented lands will require completion of the *National Environmental Policy Act* with the United States Forest Service acting as the lead agency responsible for issuing a Record of Decision under the FAST-41 process.

HERMOSA PROJECT – CLARK DEPOSIT



Positioned to provide local supply of battery-grade manganese as North American electric vehicle supply chains mature

Only advanced project in the US with a clear pathway to produce battery-grade manganese from locally sourced ore

- Confirmed flowsheet to produce high-purity manganese sulphate monohydrate (HPMSM)
- PFS-S confirmed potential for attractive returns, over an operating period of up to 70 years^(a)
- Commenced pilot scale production to provide samples to potential HPMSM customers
- Signed multiple non-binding, non-exclusive MOUs for the future potential supply of HPMSM

De-risking the path to potential production via three key workstreams



- Progressing study work for a preferred option to produce up to 185ktpa of HPMSM^(a)
- Commenced construction of an exploration decline to provide access to ore for demonstration scale output
- Exploration decline expected to be completed in H1 FY26
- Continuing to engage with potential customers to assist in our market development, product quality and qualification requirements
- Assessing opportunities to access grant funding from the U.S. Department of Defense and Department of Energy

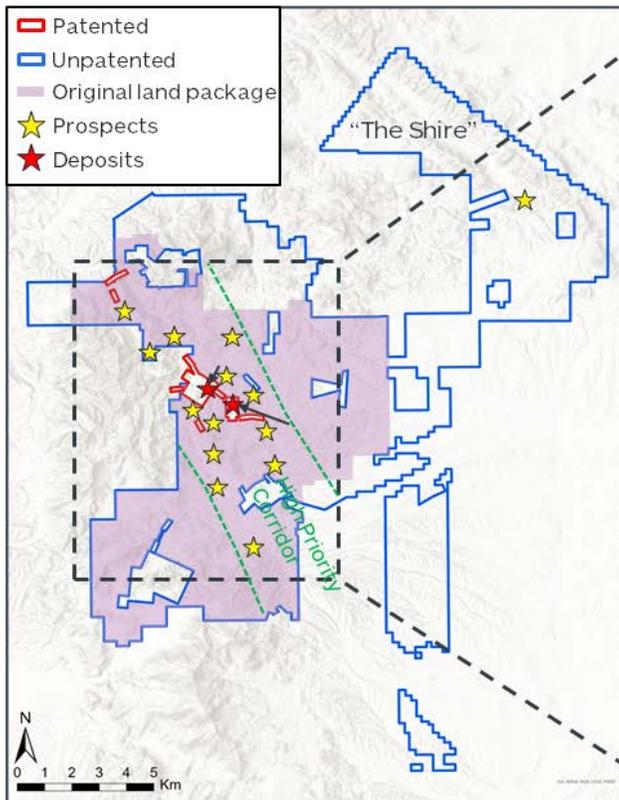
Notes:

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

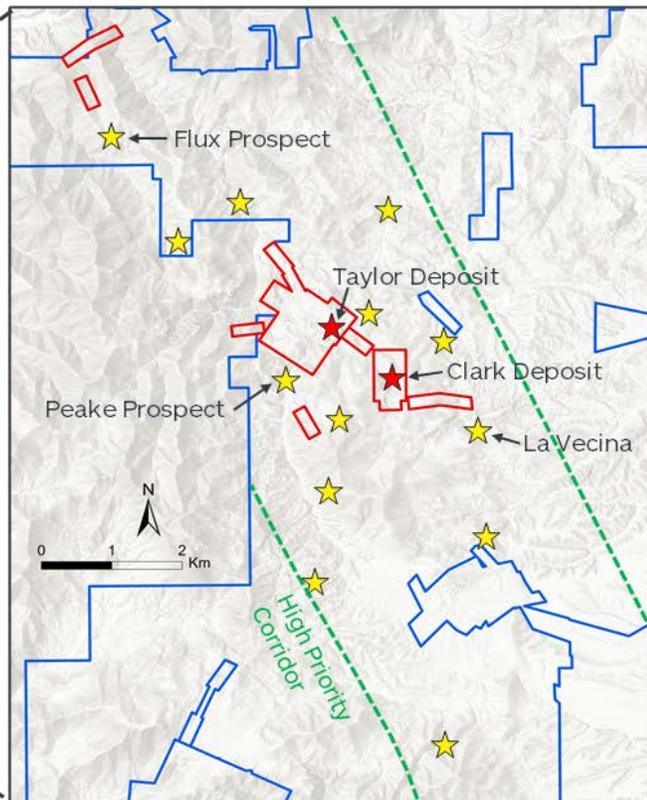
HERMOSA PROJECT – REGIONAL EXPLORATION POTENTIAL

Unlocking value from our highly prospective regional land package

Hermosa land package



Hermosa high priority corridor



Exploration highlights

Prospective corridor identified using a strategic approach to data analysis, geophysics, soil sampling and mapping

15+ prospects identified for future drill-testing

Commenced geophysics on "The Shire", located in an area of shallow carbonate similar to those that host Taylor

More than doubled our land tenure since acquisition in the areas most prospective for polymetallic and copper mineralisation

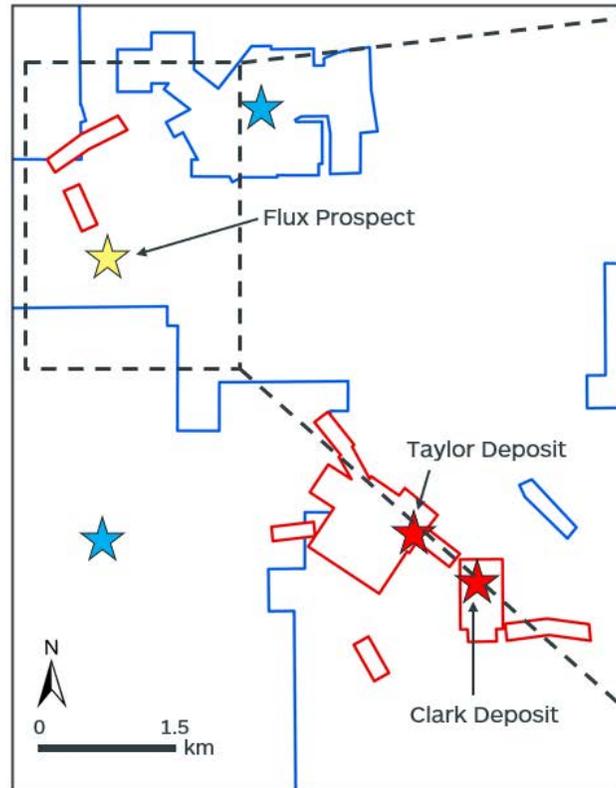
Notes:

- Refer to important notices (slide 2) for additional disclosure.

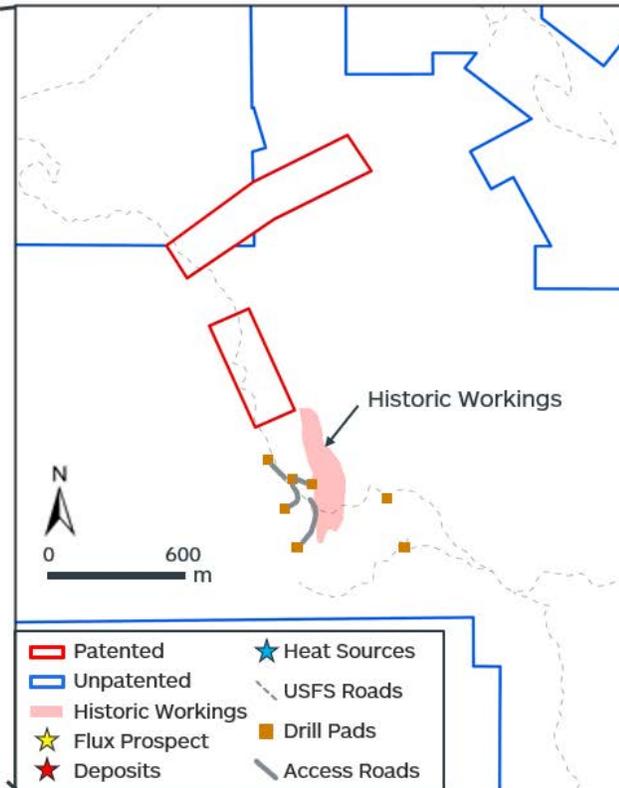
HERMOSA PROJECT – REGIONAL EXPLORATION POTENTIAL

Flux is located immediately downdip of a historic mining area with the potential to host Taylor-like mineralisation

Flux proximity to Taylor and Clark



Flux Project Area



Flux highlights

Flux prospect identified as a priority prospect in the regional corridor, located ~5km from Taylor and Clark

Historic mining area reported production of 850kt @ 8% Zn, 5% Pb, 2.5% Cu, 5 oz/t Ag, 2.5% Mn⁴³

Commenced a diamond drill hole program at Flux, our first drilling program on Federal lands

First drill hole has returned a shallow, high-grade intercept of 6.9m @ 5.31% Zn, 3.0% Pb, 34 g/t Ag at 7.63% ZnEq⁷

Notes:

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



SUPPLEMENTARY INFORMATION

EARNINGS SENSITIVITIES



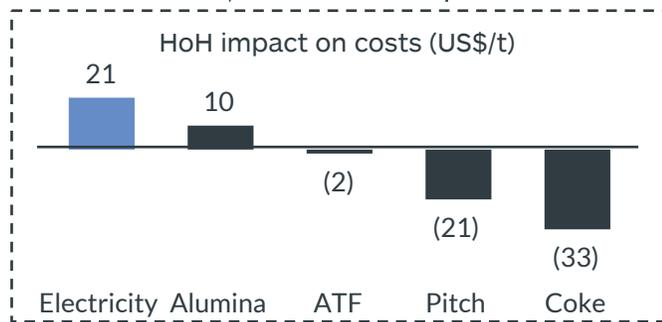
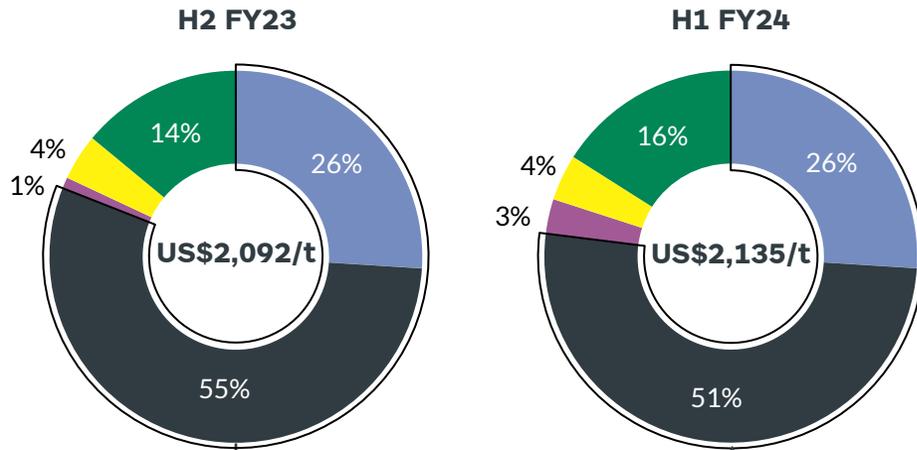
Annualised estimated impact on FY24e Underlying EBIT of a 10% change in commodity prices or currency ^(a)	EBIT sensitivities +/- 10% US\$M
Aluminium ^(b)	274
Alumina ^(b)	179
Metallurgical coal ^(c)	121
Manganese ore	77
Copper ^(d)	62
Nickel	46
Silver	28
Lead	22
Zinc	12
Australian dollar	206
South African rand	121
Brazilian real	38
Colombian peso	31
Chilean peso	20

- Notes:
- a. The sensitivities reflect the annualised estimated impact on FY24e Underlying EBIT of a 10% movement in H1 FY24 actual realised prices and H1 FY24 actual average exchange rates applied to FY24e volumes and operating unit 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 coal and energy coal at Illawarra Metallurgical Coal.
 - d. Includes copper, molybdenum, gold and silver at Sierra Gorda.

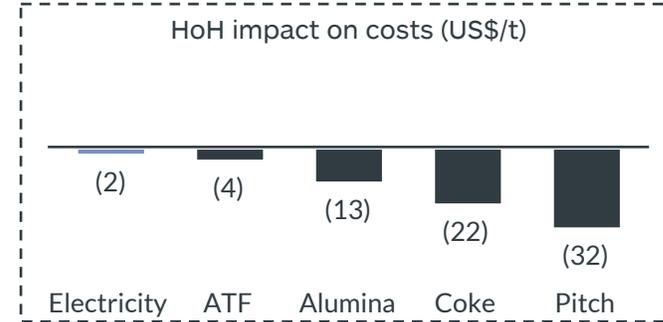
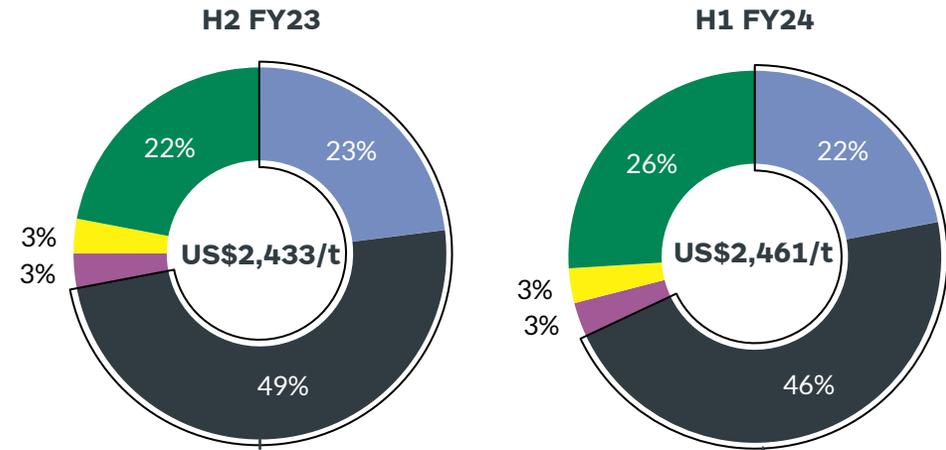
ALUMINIUM SMELTER COST BREAKDOWN

Smelter raw material input prices were sequentially lower

Hillside Aluminium - Operating unit costs (US\$/t)



Mozal Aluminium - Operating unit costs (US\$/t)



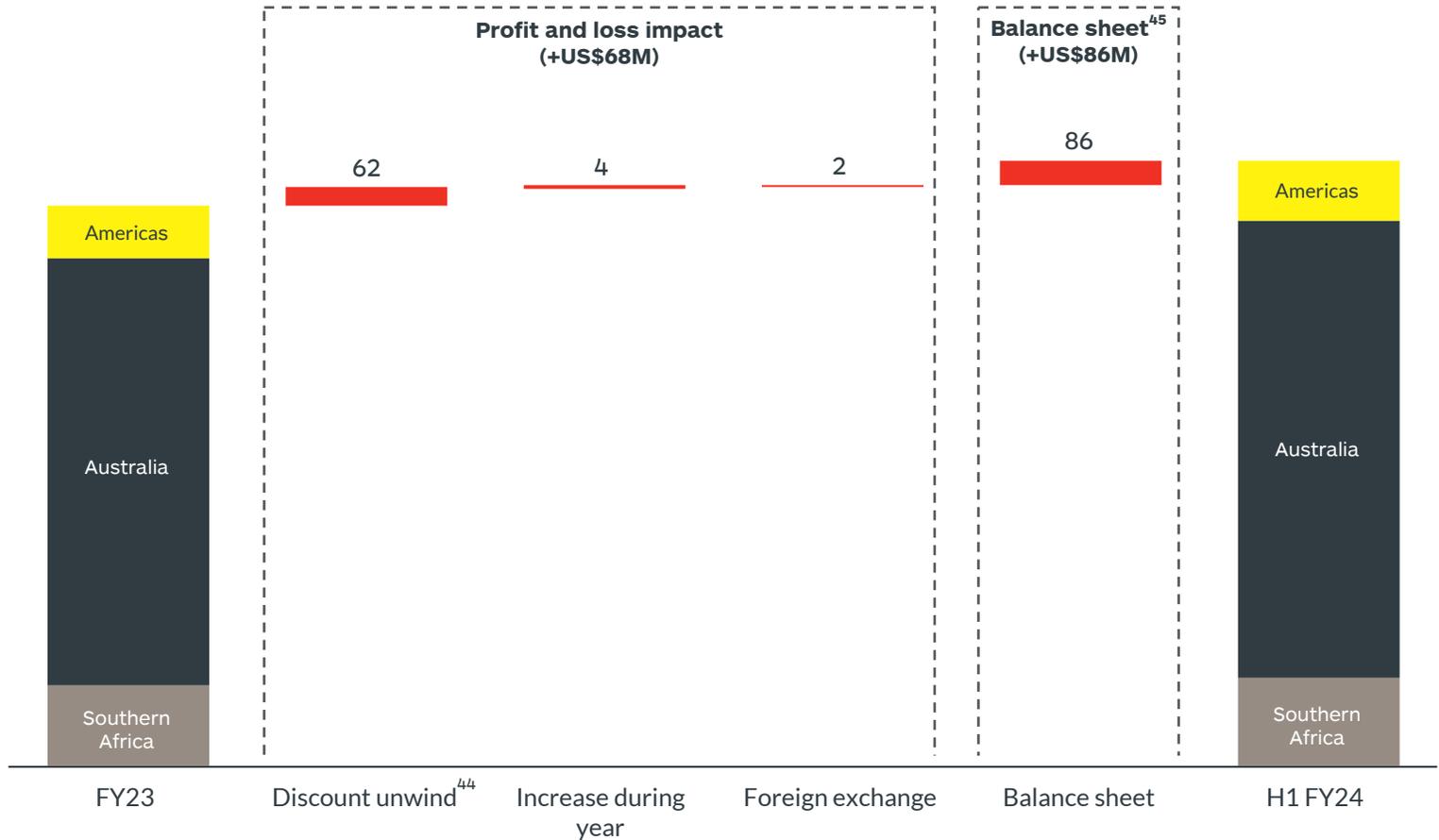
- Electricity
- Raw materials
- Pot relining
- Labour
- Other^(a)

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

CLOSURE & REHABILITATION PROVISIONS

Closure and rehabilitation provisions by operation (South32 share, excluding EAs)	H1 FY24	FY23
	US\$M	US\$M
Worsley Alumina	985	924
Brazil Alumina (non-operated)	85	75
Brazil Aluminium (non-operated)	9	8
Hillside Aluminium ^(a)	200	177
Mozal Aluminium	112	106
Cannington	348	323
Cerro Matoso	73	63
Illawarra Metallurgical Coal	237	220
Hermosa	36	35
Eagle Downs Metallurgical Coal	7	7
Total	2,092	1,938

South32 Group



Notes:

a. Includes the Bayside aluminium smelter.

UNDERLYING INCOME TAX EXPENSE



Underlying income tax expense reconciliation and Underlying ETR	H1 FY24	H1 FY23
	US\$M	US\$M
Underlying EBIT	236	922
Include: Underlying net finance costs	(118)	(88)
Remove: Share of (profit)/loss of EAls	11	(7)
Underlying profit before tax	129	827
Income tax expense	13	200
Tax effect of earnings adjustments to Underlying EBIT	4	1
Tax effect of earnings adjustments to Underlying net finance costs	1	(1)
Exchange rate variations on tax balances	20	(5)
Significant items	—	(23)
Sierra Gorda joint venture adjustment relating to income tax ⁴⁶	(6)	6
Sierra Gorda joint venture adjustment relating to royalty related tax ⁴⁶	1	4
Manganese joint venture adjustment relating to income tax ⁴⁶	24	56
Manganese joint venture adjustment relating to royalty related tax ⁴⁶	21	36
Total adjustments to derive Underlying income tax expense	65	74
Underlying income tax expense	78	274
Underlying effective tax rate	60.5%	33.1%

UNDERLYING NET FINANCE COSTS

Underlying net finance costs reconciliation	H1 FY24	H1 FY23
	US\$M	US\$M
Unwind of discount applied to closure and rehabilitation provisions	(76)	(51)
Interest on lease liabilities	(28)	(28)
Interest on senior unsecured notes	(16)	(15)
Other	2	6
Underlying net finance costs	(118)	(88)
Add back earnings adjustment for exchange rate variations on net debt	(1)	4
Sierra Gorda joint venture adjustments ⁴⁶	91	85
Manganese joint venture adjustments ⁴⁶	19	13
Total adjustments to derive Underlying net finance costs	109	102
Net finance income/(costs)	(9)	14

CAPITAL EXPENDITURE GUIDANCE

Capital expenditure excluding exploration and intangibles (South32 share)	H1 FY24 US\$M	FY24e US\$M
Worsley Alumina	34	70
Brazil Alumina	38	60
Brazil Aluminium	4	10
Hillside Aluminium	24	40
Mozal Aluminium	11	20
Cannington	23	40
Cerro Matoso	21	35
Illawarra Metallurgical Coal	180	310
Safe and reliable capital expenditure (excluding EAI)	335	585
Worsley Alumina	24	45
Brazil Alumina	13	20
Other operations	3	5
Improvement and life extension capital expenditure (excluding EAI)	40	70
Hermosa	188	390
Growth capital expenditure	188	390
Total capital expenditure (excluding EAI)	563	1,045
Total capital expenditure (including EAI)	727	1,360
Capital expenditure for EAI excluding exploration and intangibles (South32 share)		
Sierra Gorda	83	160
Australia Manganese	24	55
South Africa Manganese	20	30
Safe and reliable capital expenditure (EAI)	127	245
Sierra Gorda	15	30
Australia Manganese	16	30
South Africa Manganese	6	10
Improvement and life extension capital expenditure (EAI)	37	70
Total capital expenditure (EAI)	164	315

FOOTNOTES



1. Metrics describing health, safety, environment, people and community related performance in this presentation apply to 'operated operations' which include our controlled entities and South32-operated joint arrangements. Incidents are included where South32 controls the work location or controls the work activity.
2. Since FY20 we have disclosed fatalities that occur as part of activities associated with our operations, where we seek to influence safety performance, but which occur in locations where we do not have operational control.
3. Frequency rates are calculated per 1,000,000 hours worked for employees and contractors.
Total recordable injury frequency (TRIF): (Sum of recordable injuries that result in medical treatment, restricted work or lost time x 1,000,000) ÷ exposure hours.
Lost time injury frequency (LTIF): (Sum of recordable injuries that result in one or more lost work day after the day of the event x 1,000,000) ÷ exposure hours.
Total recordable illness frequency (TRILF): (Sum of recordable illnesses that result in medical treatment, restricted work or lost time x 1,000,000) ÷ exposure hours.
We adopt the United States Government Occupational Safety and Health Administration and the International Council on Mining and Metals guidelines for the recording and reporting of occupational injuries and illnesses.
4. Total significant hazards frequency (per 1,000,000 hours worked). A hazard is something that has the potential to cause harm, ill health or injury, or damage to property, plant, or the environment.
5. Operating margin comprises Underlying EBITDA excluding third party product EBITDA, divided by Underlying revenue excluding third party product revenue.
6. Free cash flow represents cash generated from operations, including net distributions from EAls, and after capital expenditure, net interest and income taxes paid.
7. Refer to market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024.
8. Group payable copper equivalent production in H2 FY24e, compared to H1 FY24, calculated by applying FY23 realised prices for all operations.
9. Refers to aluminium produced using renewable power.
10. Group FY24e, Hermosa Taylor deposit and Sierra Gorda fourth line expansion copper equivalent production was calculated using FY23 realised prices for all operations.
11. South32 demerged in FY15. Normalised revenue based on FY23 average realised prices at all our operations except for South Africa Energy Coal (SAEC), Tasmanian Electro Metallurgical Company (TEMCO) and Metalloys. For these exceptions, the normalised revenue is based on the average index prices for FY23 except for SAEC's domestic energy coal, which is calculated based on R550/t using a USD:ZAR exchange rate of 17.66. South Africa Manganese ore has been restated to 54.6%.
12. Illustrative Group includes H1 FY24 Group copper equivalent production and the addition of Taylor, which was calculated using FY23 realised prices and annual average Taylor FS production in the steady state years.
13. Payable zinc equivalent was calculated by aggregating revenues from payable zinc, lead and silver, and dividing the total revenue by the price of zinc. Our long-term price assumptions for zinc (US\$3,207/t), lead (US\$2,069/t) and silver (US\$20.2/oz) have been used to calculate payable zinc equivalent production.
14. Based on Wood Mackenzie Asset Profiles for Individual Mines (Q3 2023 dataset), South32 long-term price assumptions for zinc (US\$3,207/t), lead (US\$2,069/t) and silver (US\$20.2/oz), and Consensus Economics price assumptions for other commodities.
15. Based on estimated all-in sustaining costs in the Taylor FS benchmarked against the Wood Mackenzie Zinc Mine Normal Costs League (Q4 2023 dataset). Costs are calculated as the sum of direct costs, indirect cash costs, interest charges and sustaining capital expenditure.
16. The FS has been completed to an AACE International Class 3 estimate standard, with an accuracy level of -10% / +20% for operating and capital costs. The cost estimate has a base date of H2 FY23. Unless stated otherwise, currency is in US dollars (real) and units are metric. Commodity prices assumed for FY27 to FY30 are within the ranges: Zinc US\$2,738/t to US\$3,135/t, Lead US\$2,051/t to US\$2,066/t, Silver US\$20.4/oz to US\$21.4/oz.
17. Average EBITDA, EBITDA margin and net cash flow calculated over steady state production years (FY30-FY51) (real).
18. Post tax net present value assumes a discount rate of 7% and valuation date of 1 January 2024 (real).
19. Post tax internal rate of return (nominal) calculation is reflective of cash outflows from 1 January 2024.
20. AISC includes operating unit costs (including royalties), treatment and refining charges (TCRCs), and sustaining capital expenditure (real).
21. Refer to market release "Hermosa Project Update" dated 8 May 2023.
22. South Africa Manganese ore has been reported as a 54.6% interest 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%.
23. Other primarily relates to inventory value adjustments.
24. Other primarily relates to Underlying depreciation and amortisation, Underlying other income, Underlying third party products and services, and Underlying share of profit/(loss) of non-material EAI.
25. Underlying net finance costs and Underlying income tax expense are actual H1 FY24 results, not half-on-half variances.
26. Calculated by taking the increase in controllable costs from H1 FY23 to H1 FY24 divided by the Group's underlying H1 FY23 cost base excluding third party product costs.
27. Other primarily includes lower electricity prices at Illawarra Metallurgical Coal, partially offset by higher gas prices at Cannington.
28. H1 FY24 Third party products and services sold comprise US\$42M for aluminium, US\$3M for alumina, US\$106M for coal, US\$43M for freight services, US\$53M for raw materials and US\$15M for manganese. Underlying EBIT on third party products and services comprise nil for aluminium, US\$2M for alumina, US\$14M for coal, (US\$2M) for freight services, nil for raw materials and nil for manganese. H1 FY23 Third party products and services sold comprise US\$30M for aluminium, US\$2M for alumina, US\$60M for coal, US\$63M for freight services, US\$78M for raw materials and US\$16M for manganese. Underlying EBIT on third party products and services comprise (US\$1M) for aluminium, US\$8M for alumina, US\$6M for coal, (US\$1M) for freight services, nil for raw materials and nil for manganese.

FOOTNOTES



29. Other primarily relates to increases in rehabilitation provisions.
30. Cost base includes material EAls and excludes Other income. H1 FY24 includes a US\$56M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA (H1 FY23 includes a US\$63M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA).
31. Other includes cash proceeds from the sale of non-core royalties to Anglo Pacific Group (US\$18M), more than offset by an additional 4.9% equity interest in Aldebaran Resources Inc. (US\$8M), the purchase of shares by South32 Employee Incentive Plans Trusts (ESOP Trusts) and non-cash debt movements related to the settlement of the South Africa Energy Coal restructuring facility.
32. Cash balance is as at 31 December 2023.
33. Refer to market release "South32 prices US\$700M of Senior Notes" dated 8 April 2022.
34. Worsley Alumina lease liability for two multi fuel co-generation units commenced in 2014 with a tenor of 32 years (incorporating a 7-year extension option).
35. Our current BBB+/Baa1 credit ratings were re-affirmed by S&P Global Ratings and Moody's, respectively, during H1 FY24.
36. EPS refers to Basic 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.
37. Payable 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. FY23 realised prices for copper (US\$3.51/lb), molybdenum (US\$21.28/lb), gold (US\$1,821/oz) and silver (US\$21.9/oz) have been used for H1 FY24 and H2 FY24e.
38. Payable zinc equivalent (kt) was calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY23 realised prices for zinc (US\$2,151/t), lead (US\$1,919/t) and silver (US\$21.1/oz) have been used for H1 FY24 and H2 FY24e.
39. FY24 prior Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY24, including: an alumina price of US\$349/t; an average blended coal price of US\$210/t for Illawarra Metallurgical Coal; a manganese ore price of US\$4.85/dmtu for 44% manganese product; a nickel price of US\$8.90/lb; a silver price of US\$24.5/troy oz; a lead price of US\$2,131/t (gross of treatment and refining charges); a zinc price of US\$2,446/t (gross of treatment and refining charges); a copper price of US\$3.87/lb (gross of treatment and refining charges); a molybdenum price of US\$22.5/lb (gross of treatment and refining charges); a gold price of US\$1,984/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.98; a USD:COP exchange rate of 4,033; USD:CLP exchange rate of 876; and a reference price for caustic soda; which reflect forward markets as at July 2023 or our internal expectations.
40. FY24 new Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY24, including: an alumina price of US\$340/t; an average blended coal price of US\$296/t for Illawarra Metallurgical Coal; a manganese ore price of US\$4.58/dmtu for 44% manganese product; a nickel price of US\$8.67/lb; a silver price of US\$22.7/troy oz; a lead price of US\$2,105/t (gross of treatment and refining charges); a zinc price of US\$2,446/t (gross of treatment and refining charges); a copper price of US\$3.67/lb (gross of treatment and refining charges); a molybdenum price of US\$19.22/lb (gross of treatment and refining charges); a gold price of US\$1,892/troy oz; an AUD:USD exchange rate of 0.64; a USD:ZAR exchange rate of 19.12; a USD:COP exchange rate of 4,050; USD:CLP exchange rate of 924; and a reference price for caustic soda; which reflect forward markets as at January 2024 or our internal expectations.
41. 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.
42. FOB ore Operating unit cost is Revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.
43. Refer to the mindat.org database, available at <https://www.mindat.org/loc-5529.html>.
44. Unwind of discount applied to closure and rehabilitation provisions.
45. Balance sheet movement (+US\$86M) reflects the net impact of a US\$41M increase in provisions as a result of amounts capitalised for changes in costs and estimates related to open mines, and a US\$56M increase in provisions associated with the capitalisation of foreign exchange impacts on restatement of closure provisions relating to open sites, partially offset by a US\$11M 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: Association for the Advancement of Cost Engineering (AACE); silver (Ag); gold (Au); Australian dollar (AUD); aluminium tri-fluoride (ATF); billion (B); Chilean peso (CLP); Colombian peso (COP); copper (Cu); copper equivalent (CuEq); calendar year (CY); dry metric tonne unit (dmtu); estimate (e); equity accounted investment (EAI); earnings before interest and tax (EBIT); earnings before interest, tax, depreciation and amortisation (EBITDA); earnings per share (EPS); effective tax rate (ETR); electric vehicle (EV); Title 41 of the Fixing America's Surface Transportation Act (FAST-41); final investment decision (FID); free on board (FOB); feet (ft); financial year (FY); half (H); hard coking coal (HCC); half on half (HoH); high-purity manganese sulphate monohydrate (HPMSM); Joint Ore Reserve Committee (JORC); joint venture (JV); kilo (k); pound (lb); left hand side (LHS); London Metals Exchange (LME); lost time injury frequency (LTIF); metre (m); million (M); manganese (Mn); molybdenum (Mo); memorandum of understanding (MOU); Ore Sorting and Mechanical Ore Concentration (OSMOC); pulverised coal injection (PCI); prefeasibility study (PFS); total recordable illness frequency (TRILF); total recordable injury frequency (TRIF); troy ounces (oz); lead (Pb); selection phase of the pre-feasibility study (PFS-S); quarter (Q); right hand side (RHS); return on invested capital (ROIC); rest of world (ROW); Shanghai Futures Exchange (SHFE); tonnes (t); treatment and refining charges (TCRCs); tonnes per annum (tpa); United States (US); United States dollar (US\$); wet metric tonne (wmt); year on year (YoY); South African rand (ZAR) and zinc (Zn).

