“ARM benefitted from commodity diversification as headline earnings from the platinum operations increased significantly.

The platinum operational performance is expected to improve in the second half of the year.”

Dr Patrice Motsepe, Executive Chairman
Disclaimer

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

Rounding of figures may result in minor computational discrepancies.

Forward looking statements

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

Executive Chairman:
Dr Patrice Motsepe
## Safety

We are committed to creating and maintaining a safe work environment for all our employees.

Regrettably, three of our colleagues were fatally injured at our operations in the period under review.

We extend our deepest condolences to the families, friends and colleagues of Mr Malatji, Mr Tshwale and Mr Sandamela.

We continue to work relentlessly towards our target of zero harm.
Salient features: Earnings

**Headline earnings**

| 1H F2019: R2.2 billion |

**Adjusted headline earnings***

- **17% to R2.0 billion**

| 1H F2019: R2.5 billion |

**Segmental EBITDA**

- **10% to R4.6 billion**

| 1H F2019: R4.2 billion |

**Basic earnings**

- **63% to R2.1 billion**

| 1H F2019: R1.3 billion*** |

---

*Adjusted headline earnings exclude all re-measurement gains and losses for the period. The table included on slide 37 of this presentation summarises the re-measurement gains and losses for the review period and the previous corresponding period.

**Basic earnings in 1H F2019 included an impairment of the Nkomati Mine assets of R892 million after tax.
## Salient features: Dividends and financial position

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interim dividend</strong></td>
<td>25%</td>
<td>R5.00 per share</td>
</tr>
<tr>
<td>1H F2019:</td>
<td>to</td>
<td>R4.00 per share</td>
</tr>
<tr>
<td><strong>Dividends received from Assmang</strong></td>
<td></td>
<td>to R2.0 billion</td>
</tr>
<tr>
<td>1H F2019:</td>
<td></td>
<td>R1.75 billion</td>
</tr>
<tr>
<td><strong>ARM Company cash balance</strong></td>
<td>70%</td>
<td>R2.5 billion</td>
</tr>
<tr>
<td>31 December 2018:</td>
<td>to</td>
<td>R1.5 billion</td>
</tr>
<tr>
<td><strong>Net cash at 31 December 2019</strong></td>
<td>146%</td>
<td>R2.9 billion</td>
</tr>
<tr>
<td>31 December 2018:</td>
<td>to</td>
<td>R1.2 billion</td>
</tr>
</tbody>
</table>
Strategy

STRATEGY
DELIVER COMPETITIVE RETURNS AND SUSTAINABLE VALUE

Focus on value-enhancing and integrated growth.

Apply value-creating capital allocation.

Operate our portfolio of assets safely, responsibly and efficiently.

Owner-operator

Entrepreneurial management

Investing in our employees

Partnering with communities and other stakeholders

Innovative application of technology
# Safe, responsible and efficient operations

## Safe operations
- Manage all health and safety risks, with a focus on elimination of injuries, fatalities and high-potential incidents.

**TARGET:** Zero harm across all operations.

## Responsible production
- Engagement with all stakeholders.
- Transformation through local procurement; employment, and enterprise supplier development.
- Reduce carbon emissions and our impact on water resources.
- Committed to climate change initiatives.

**TARGETS:**
- Improve the living conditions and standards of living of the people in our host communities.
- Responsibly manage and mitigate our environmental impact in alignment with the principles of the International Council on Mining and Metals (ICMM).

## Efficient operations
- Invest in efficiency-improvement technologies.
- Explore improvements in plant efficiencies and grades.
- Contain costs increases.

**TARGET:**
- Maximise margins at each of the operations.
Capital allocation

Allocation of funds

- INVEST IN EXISTING BUSINESS
- DEBT REPAYMENT
- INVEST IN ORGANIC BUSINESS GROWTH
- MERGERS AND ACQUISITIONS
- DIVIDEND PAYMENTS
- SHARE REPURCHASE AND/OR SPECIAL DIVIDENDS
Dividends per share (cents)

F2016 | F2017 | F2018 | F2019 | 1H F2020
--- | --- | --- | --- | ---
225 | 650 | 1000 | 1300 | 500

Interim dividend per share  |  Final dividend per share

Sustained dividend growth.
Focus on value enhancing growth

ARM is in a robust financial position which allows flexibility to pursue value-enhancing and integrated growth opportunities.

A dedicated management team is assessing both organic and acquisition growth opportunities.

Preferred commodities to strengthen our portfolio diversification include (but are not limited to) PGMs and base metals.
Operational review
Chief Executive Officer:
Mike Schmidt

Two Rivers Platinum Mine
## Headline earnings/(loss) by division / operation

<table>
<thead>
<tr>
<th></th>
<th>1H F2020</th>
<th>1H F2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARM Platinum</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARM Platinum</td>
<td>489</td>
<td>167</td>
<td>193</td>
</tr>
<tr>
<td>Two Rivers Mine</td>
<td>357</td>
<td>180</td>
<td>98</td>
</tr>
<tr>
<td>Modikwa Mine*</td>
<td>343</td>
<td>173</td>
<td>98</td>
</tr>
<tr>
<td>Nkomati Mine</td>
<td>(211)</td>
<td>(186)</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>ARM Ferrous</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARM Ferrous</td>
<td>1 848</td>
<td>2 127</td>
<td>(13)</td>
</tr>
<tr>
<td>Iron ore division</td>
<td>1 426</td>
<td>1 230</td>
<td>16</td>
</tr>
<tr>
<td>Manganese division</td>
<td>441</td>
<td>919</td>
<td>(52)</td>
</tr>
<tr>
<td>Chrome division</td>
<td>-</td>
<td>(4)</td>
<td>-</td>
</tr>
<tr>
<td>Consolidation adjustment</td>
<td>(19)</td>
<td>(18)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>ARM Coal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARM Coal*</td>
<td>(101)</td>
<td>65</td>
<td>(&gt;100)</td>
</tr>
<tr>
<td>Goedgevonden Mine</td>
<td>(115)</td>
<td>(7)</td>
<td>(&gt;100)</td>
</tr>
<tr>
<td>PCB Operations</td>
<td>14</td>
<td>72</td>
<td>(81)</td>
</tr>
<tr>
<td><strong>ARM Corporate and other</strong></td>
<td>(81)</td>
<td>(158)</td>
<td>49</td>
</tr>
<tr>
<td><strong>Headline earnings</strong></td>
<td>2 155</td>
<td>2 201</td>
<td>(2)</td>
</tr>
</tbody>
</table>

* Modikwa Mine, ARM Coal and ARM Corporate include re-measurement gains and losses. Refer to slide 37 of this presentation for a summary of these re-measurement gains and losses.
Diversified earnings

EBITDA split by commodity (%)

Improved earnings contribution from PGMs.
EBITDA margin by commodity

- **Manganese alloy**: 23% (1H F2019), 10% (1H F2020)
- **Manganese ore**: 43% (1H F2019), 34% (1H F2020)
- **Iron Ore**: 43% (1H F2019), 47% (1H F2020)
- **Coal (GGV)**: 34% (1H F2019), 10% (1H F2020)
- **PGMs**: 33% (1H F2019), 42% (1H F2020)
Load-out station at Black Rock Mine
Iron ore

Salient features

- Sales volumes decreased by 11% to 7.8 million tonnes mainly due to logistical challenges.

- Export sales volumes are expected to recover in the second half of the financial year.

- Production volumes increased by 7%.

- On-mine unit production cost increased by 15% as more waste stripping tonnes were expensed and less tons capitalised in compliance with IFRIC 20.

<table>
<thead>
<tr>
<th>(100% basis)</th>
<th>unit</th>
<th>1H F2020</th>
<th>1H F2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>000 tonnes</td>
<td>6 189</td>
<td>7 246</td>
<td>(15)</td>
</tr>
<tr>
<td>Local sales volumes</td>
<td>000 tonnes</td>
<td>1 561</td>
<td>1 507</td>
<td>4</td>
</tr>
<tr>
<td>Export sales lump:fines ratio</td>
<td>%</td>
<td>56:44</td>
<td>58:42</td>
<td></td>
</tr>
<tr>
<td>Change in on-mine unit production costs</td>
<td>%</td>
<td>15</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>863</td>
<td>1 028</td>
<td>(16)</td>
</tr>
</tbody>
</table>

Sales volumes (million tonnes)
Manganese ore

**Salient features**

- Production volumes increased by 17% to 2.0 million tonnes as the Black Rock Project progressed on schedule.

- Sales volumes increased by 11% to 1.8 million tonnes.

- Manganese ore prices declined sharply in the latter part of 1H F2020.

- Black Rock Mine achieved a 3% decrease in on-mine unit production costs.

- Both the Nchwaning and Gloria projects are progressing to plan and 91% and 40% respectively of their approved capital have been spent.

<table>
<thead>
<tr>
<th>(100% basis)</th>
<th>unit</th>
<th>1H F2020</th>
<th>1H F2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>000 tonnes</td>
<td>1 729</td>
<td>1 531</td>
<td>13</td>
</tr>
<tr>
<td>Local sales volumes</td>
<td>000 tonnes</td>
<td>53</td>
<td>74</td>
<td>(28)</td>
</tr>
<tr>
<td>Change in on-mine unit production costs</td>
<td>%</td>
<td>(3)</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R million</td>
<td>1 188</td>
<td>950</td>
<td>25</td>
</tr>
</tbody>
</table>

**Sales volumes (000 tonnes)**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Manganese alloys

Salient features

- Manganese alloy prices remained under pressure.

- Sales volumes from the SA operations were flat.

- Sales volumes at Sakura increased by 10%.

- Unit production costs were 18% lower at Sakura mainly due to lower manganese ore prices.

- Management is considering the installation of an on-site sinter plant to improve unit cost performance.

### 100% basis

<table>
<thead>
<tr>
<th></th>
<th>unit</th>
<th>1H F2020</th>
<th>1H F2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volumes: South African operations</td>
<td>000 tonnes</td>
<td>61</td>
<td>61</td>
<td>-</td>
</tr>
<tr>
<td>Sales volumes: Sakura</td>
<td>000 tonnes</td>
<td>110</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>Change in unit production costs: Cato Ridge Works</td>
<td>%</td>
<td>(3)</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Change in unit production costs: Sakura</td>
<td>%</td>
<td>(18)</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

Sales volumes (000 tonnes)
**ARMS Ferrous**

**Attributable profit before tax variance analysis (R million)**

1H F2019 | ZAR:USD | USD Prices | Volume | Cash costs | Non-cash costs | 1H F2020
---|---|---|---|---|---|---
2 783 | 241 | (293) | (134) | (71) | 86 | 2 612

**Changes in on-mine unit production costs (%)**

- **Iron ore**: 15%
- **Cato Ridge Works**: (3%)
- **Manganese ore**: (3%)
- **Sakura**: (18%) (25%) (15%) (5%) 5% 15% 25%

**Changes in sales volumes (%)**

- **Iron ore**: (11%)
- **Manganese alloys**: 4%
- **Manganese ore**: 11%

**Changes in average realised US Dollar prices (%)**

- **Export manganese ore ($/t)**: (27%) (10%) (20%) (30%)
- **Manganese alloys ($/t)**: (13%)
- **Export iron ore ($/t)**: 19%

---

* External sales only
** Includes Sakura Ferroalloy sales
ARM Platinum

Modikwa Platinum Mine
Salient features

• The Rand PGM basket price was 49% higher than 1H F2019.

• Production volumes were impacted by safety stoppages at Modikwa and mineralogy challenges at Two Rivers.

• Volumes are expected to recover in the second half of the financial year at Modikwa.

• At Two Rivers additional milling capacity has been approved to increase volumes from F2022.

• Unit production costs are expected to improve commensurate with volume improvements.
Two Rivers volumes and costs

- Two Rivers experienced flotation challenges in the concentrator plant in July 2019.
- Consequently, PGM recovery was lower with PGMs being deposited into spillage containment dams.
- The pumping challenge was resolved through changes to flotation reagents.
- Lower grades due to mining of split reef accounted for 30% of decrease in volumes.
- Continued load-shedding is expected to impact production. Management is prioritising energy management.
Modikwa volumes and cost analysis

- Modikwa experienced numerous safety stoppages which negatively impacted production volumes.

- Lower grade material was blended with higher-grade fines to optimise the plant capacity which resulted in grade decline and lower production volumes.

- Continued load-shedding is expected to impact production. Management is prioritising energy management.
Nickel (100% basis)

Salient features

• Production at Nkomati Mine will cease from the end of September 2020 and the mine will be placed on care and maintenance.

• Engagement with affected employees, communities and suppliers is continuing.

• An assessment of the total closure and rehabilitation costs for the operation is in progress and will be completed by end of March 2020.

Items affecting Nkomati 1H F2020 headline earnings:

• Provision for diesel tax rebate - R243 million
• Provision for restructuring costs - R84 million
• Inventory adjustment - R 96 million
• Penalty and treatment charges - R63 million

Production volumes (tonnes)
Attributable profit before tax variance analysis (R million)(Excluding Nkomati)

Changes in on-mine unit production costs (%)

- PGM: Modikwa: 24%
- PGM: Two Rivers: 19%
- Nickel: 8%

Changes in average realised US Dollar prices (%)

- Copper: 9%
- Platinum: 18%
- Nickel: 58%
- Palladium: 97%

Revenue contribution per commodity (%)

- Nickel: 12%
- Palladium: 25%
- Rhodium: 27%
- PGM: Two Rivers: 16%
- Chrome: 3%
- Copper: 3%
- Other: 3%

Note: Nickel on a US Dollar C1 cash costs net of by-products basis and PGM on a Rand per tonne milled.
ARM Coal

Goedgevonden Coal Mine
GGV and PCB

Salient features

- Earnings were negatively impacted by a steep decline in seaborne coal prices, as well as a reduction in saleable production.

- Production was lower mainly due to inclement weather which resulted in pit flooding.

- Contracts were concluded at PCB with Eskom to provide high quality coal to assist in stabilising the provision of electricity nationally.

- A re-measurement gain of R104 million was recognised in ARM Coal.

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>1H F2020</th>
<th>1H F2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export sales volumes</td>
<td>Mt</td>
<td>5.56</td>
<td>7.28</td>
<td>(24)</td>
</tr>
<tr>
<td>Domestic sales volumes</td>
<td>Mt</td>
<td>4.32</td>
<td>3.20</td>
<td>35</td>
</tr>
<tr>
<td>GGV on-mine production costs</td>
<td>R/t</td>
<td>458</td>
<td>343</td>
<td>34</td>
</tr>
<tr>
<td>PCB on-mine production costs</td>
<td>R/t</td>
<td>507</td>
<td>395</td>
<td>28</td>
</tr>
<tr>
<td>Capital expenditure (GGV)</td>
<td>Rm</td>
<td>534</td>
<td>635</td>
<td>(16)</td>
</tr>
<tr>
<td>Capital expenditure (PCB)</td>
<td>Rm</td>
<td>1 193</td>
<td>1 431</td>
<td>(17)</td>
</tr>
</tbody>
</table>

Attributable production volumes (000 tonnes)

- Earnings were negatively impacted by a steep decline in seaborne coal prices, as well as a reduction in saleable production.
- Production was lower mainly due to inclement weather which resulted in pit flooding.
- Contracts were concluded at PCB with Eskom to provide high quality coal to assist in stabilising the provision of electricity nationally.
- A re-measurement gain of R104 million was recognised in ARM Coal.
ARM Coal

Attributable profit before tax variance analysis (R million)

Changes in on-mine unit production costs (%)

Changes in sales volumes (%)

ARM attributable debt to Glencore (R million)

Before debt restructuring

Post-restructuring
Capital allocation

FD: Abigail Mukhuba
Analysis of movements in net cash and cash equivalents (R million)*

<table>
<thead>
<tr>
<th>Sources of funds</th>
<th>Investing in existing business</th>
<th>Debt and interest payments</th>
<th>Dividends paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated by operations</td>
<td>Capital expenditure</td>
<td>Net borrowing movements</td>
<td>Dividends paid to ARM shareholders</td>
</tr>
<tr>
<td>921</td>
<td>(492)</td>
<td>(147)</td>
<td>(1,741)</td>
</tr>
<tr>
<td>Dividends received</td>
<td>Taxation paid</td>
<td>Net financing income</td>
<td>Other</td>
</tr>
<tr>
<td>2,000</td>
<td>(205)</td>
<td>116</td>
<td>(78)</td>
</tr>
<tr>
<td>Balance 1 July 2019</td>
<td>Balance at 31 December 2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Cash and cash equivalents including overdrafts.

Increase
Decrease
## Net cash and debt

<table>
<thead>
<tr>
<th></th>
<th>31 December 2019</th>
<th>30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents *</td>
<td>4 893</td>
<td>4 632</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>(2 024)</td>
<td>(2 031)</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>(1 536)</td>
<td>(1 095)</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(488)</td>
<td>(936)</td>
</tr>
<tr>
<td><strong>Net cash</strong></td>
<td>2 869</td>
<td>2 601</td>
</tr>
<tr>
<td>Total equity</td>
<td>31 620</td>
<td>29 703</td>
</tr>
<tr>
<td><strong>Net cash to equity ratio</strong></td>
<td>9.1%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Add back: Partner loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARM Coal loans from Glencore</td>
<td>1 069</td>
<td>1 023</td>
</tr>
<tr>
<td>Modikwa loan from Anglo Platinum</td>
<td>104</td>
<td>101</td>
</tr>
<tr>
<td>Add back: ARM BBEE Trust loans (Nedbank; Harmony)**</td>
<td>301</td>
<td>368</td>
</tr>
<tr>
<td><strong>Adjusted net cash</strong></td>
<td>4 343</td>
<td>4 093</td>
</tr>
<tr>
<td>Attributable cash and cash equivalents at ARM Ferrous</td>
<td>3 107</td>
<td>3 053</td>
</tr>
</tbody>
</table>

*Excludes cash and cash equivalents at ARM Ferrous. After the reporting date Assmang declared a dividend of R1 750 million (ARM attributable).

** At 31 December 2019 only the Harmony loan was outstanding as the Nedbank loan was fully repaid during the period.
Segmental capital expenditure*
R million

* Capital expenditure includes (i) deferred stripping at Nkomati and Khumani mines, (ii) Eskom sub-station as a finance lease at Nkomati Mine (iii) financed fleet replacement and sustaining capital expenditure but excludes the Sakura Ferroalloys Project.

** The forecasted capital expenditure for F2020e to F2022e is an estimation based on approved projects and projects under consideration.
Thank you