

GLENCORE

GLENCORE PLC

(Incorporated in Jersey under the Companies (Jersey) Law 1991)

(Registration number 107710)

JSE Share Code: GLN

LSE Share Code: GLEN

ISIN: JE00B4T3BW64

LEI: 2138002658CPO9NBH955

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NEWS RELEASE

2023 Half-Year Report Highlights

Glencore's Chief Executive Officer, Gary Nagle, commented:

"The strength of our diversified business model across industrial and marketing, focusing on metals and energy, has again proved itself adept in a range of market conditions.

"Against the backdrop of a normalisation of commodity market imbalances and volatility, primarily across the energy spectrum, our Marketing and Industrial segments posted a healthy earnings performance, delivering Group Adjusted EBITDA of \$9.4 billion, cash generated by operating activities of \$8.4 billion and Net income attributable to equity holders of \$4.6 billion.

"Reflecting these solid headline earnings, together with a \$3.7 billion release of net working capital, including \$1.4 billion of readily marketable inventories, net funding remained static over the period, after disbursing \$5.2 billion of shareholder returns, \$2.5 billion of net capital expenditure and \$2.7 billion of final 2022 tax payments in Australia and Colombia. Net debt finished the period at \$1.5 billion.

"Our shareholder returns framework of managing Net debt, in the ordinary course of business, around a \$10 billion cap, with deleveraging periodically returned to shareholders, informed today's announcement of additional "top-up" returns of c.\$2.2 billion, lifting total announced shareholder returns this year to c.\$9.3 billion.

"As the world moves towards a low-carbon economy, we remain focused on supporting the energy needs of today whilst investing in our transition metals portfolio. Over the year to date, we committed \$1.25 billion, mainly on purchasing the balance of the large, long-life MARA copper project, not already held by Glencore, and acquiring a minority stake in Alunorte, a world class alumina refinery, thereby providing Glencore with long-term exposure to lower-quartile carbon alumina.

"We look to the future confident that we have the right pathway to succeed in a Net-zero economy and create sustainable long-term value for all stakeholders, while operating in a responsible and ethical manner across all aspects of our business."

US\$ million	H1 2023	H1 2022	Change %	2022
Key statement of income and cash flows highlights¹:				
Revenue	107,415	134,435	(20)	255,984
Adjusted EBITDA ²	9,397	18,918	(50)	34,060
Adjusted EBIT ³	6,305	15,415	(59)	26,657
Net income for the period attributable to equity holders	4,568	12,085	(62)	17,320
Earnings per share (Basic) (US\$)	0.36	0.92	(61)	1.33

US\$ million	30.06.2023	31.12.2022	Change %
Key financial position highlights:			
Total assets	121,754	132,583	(8)
Total equity	41,173	45,219	(9)
Net funding ²	27,533	27,500	0
Net debt ²	1,542	75	1,956
Ratios:			
Net debt to Adjusted EBITDA ³	0.06	0.00	n.m

1 Refer to basis of presentation on page 7.

2 Refer to page 10.

3 H1 2023 ratio based on last 12 months' Adjusted EBITDA, refer to APMs section for reconciliation.

HIGHLIGHTS

continued

- ◊ Adjusted measures referred to as Alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards; refer to APMs section on page 73 for definitions and reconciliations and to note 3 of the financial statements for reconciliation of Adjusted EBIT/EBITDA.

HIGHLIGHTS

continued

2023 HALF-YEAR FINANCIAL SCORECARD

- Marketing Adjusted EBIT of \$1.8 billion, annualising above our \$2.2-3.2 billion p.a. long-term guidance range, down 52% period-on-period from last year's exceptionally strong performance
- Industrial Assets Adjusted EBITDA of \$7.4 billion, down 51%, impacted primarily by lower pricing, particularly in coal, as well as inflationary cost impacts across the asset base, much of it having lagged and been heavily influenced by the surge in energy prices during 2022.
- \$9.4 billion Adjusted EBITDA, down 50%, reflecting the normalisation of primarily energy market imbalances and volatility from the extreme levels seen in 2022
- Net income attributable to equity holders was \$4.6 billion (\$12.1 billion in H1 2022), down 61%
- Adjusted EBITDA mining margins were 25% in our metals operations and 50% in our energy operations, compared to 43% and 66% respectively during H1 2022

INVESTING IN TRANSITION METALS

- \$1.25 billion of recent investment commitments in transition metals, comprising:
 - \$700 million to acquire a 30% equity stake in Alunorte and a 45% equity stake in Mineracão Rio do Norte S.A., from Norsk Hydro;
 - \$475 million to acquire the remaining 56.25% interest in the MARA copper project, not already owned, from Pan American Silver, taking Glencore to 100% ownership;
 - \$73 million to acquire the remaining 18% in Polymet not already owned, a 50:50 JV partner in the New Range Copper Nickel venture with Teck Resources in Minnesota.

BALANCE SHEET

- After consideration of near-term cash commitments and potential M&A, period-end Net debt of \$1.5 billion, supported c.\$2.2 billion of "top-up" shareholder payments, lifting total 2023 announced shareholder returns to c.\$9.3 billion.
- This additional return will be effected by way of a c.\$1 billion (\$0.08 per share) special cash distribution and a new \$1.2 billion buyback programme intended to run until release of our full year results in February 2024. The special cash distribution of \$0.08 per share will be paid alongside the \$0.22 per share second tranche of the cash distribution announced in February 2023
- Available committed liquidity of \$12.9 billion; bond maturities maintained around a cap of \$3 billion in any given year
- In June 2023, Glencore agreed to dispose of its interest in Viterra in a cash and shares transaction with Bunge. For its 50% stake, Glencore will receive \$1.0 billion in cash and c.\$3.1 billion in Bunge stock (basis Bunge's stock price at the date of announcement, but worth c.\$3.8 billion (up 23%) as of 4 August 2023). The merger is expected to close in mid-2024.
- Spot illustrative annualised free cash flow generation of c.\$7.3 billion from Adjusted EBITDA of c.\$17.4 billion

PROGRESSING OUR CLIMATE STRATEGY

- Shareholders gave broad support for the progress of our Climate Action Transition Plan at the 2023 AGM, with c.70% voting in favour
- We recognise that some shareholders chose not to support this resolution and we will continue to engage with shareholders so as to ensure their views are fully understood
- We will publish an update on this engagement, in accordance with the UK Corporate Governance Code, within six months of the 2023 AGM

To view the full report please click <https://www.glencore.com/rest/api/v1/documents/static/a6349da6-3d11-4662-9107-28e19667d236/GLEN-2023-Half-Year-Report.pdf>

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HIGHLIGHTS

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Please refer to the end of this document for disclaimers including on forward-looking statements.

HIGHLIGHTS

continued

Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, we produce, process, recycle, source, market and distribute the commodities that support decarbonisation while meeting the energy needs of today.

With around 140,000 employees and contractors and a strong footprint in over 35 countries in both established and emerging regions for natural resources, our marketing and industrial activities are supported by a global network of more than 40 offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. We also provide financing, logistics and other services to producers and consumers of commodities.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

We recognise our responsibility to contribute to the global effort to achieve the goals of the Paris Agreement by decarbonising our own operational footprint. We believe that we should take a holistic approach and have considered our commitment through the lens of our global industrial emissions. Against a 2019 baseline, we are committed to reducing our Scope 1, 2 and 3 industrial emissions by 15% by the end of 2026, 50% by the end of 2035 and we have an ambition to achieve net zero industrial emissions by the end of 2050. For more detail see our 2022 Climate Report on the publication page of our website at [glencore.com/publications](https://www.glencore.com/publications).

Important notice concerning this report including forward-looking statements

Given the focus of this document, it is necessarily oriented towards future events and therefore contains statements that are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Such statements may include (without limitation) statements in respect of trends in commodity prices and currency exchange rates; demand for commodities; reserves and resources and production forecasts; expectations, plans, strategies and objectives of management; climate scenarios; sustainability performance (including, without limitation, environmental, social and governance) related goals, ambitions, targets, intentions, visions, milestones and aspirations; approval of certain projects and consummation of certain transactions (including, without limitation, acquisitions and disposals); closures or divestments of certain assets, operations or facilities (including, without limitation, associated costs); capital costs and scheduling; operating costs and supply of materials and skilled employees; financings; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; and tax, legal and regulatory developments.

These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof including, without limitation, "outlook", "guidance", "trend", "plans", "expects", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "projects", "anticipates", "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. The information in this document provides an insight into how we currently intend to direct the management of our businesses and assets and to deploy our capital to help us implement our strategy. The matters disclosed in this document are a 'point in time' disclosure only. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial conditions and discussions of strategy, and reflect judgments, assumptions, estimates and other information available as at the date of this document or the date of the corresponding planning or scenario analysis process.

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Readers, including (without limitation) investors and prospective investors, should review and take into account these risks and uncertainties (as well as the other risks identified in this document) when considering the information contained in this document. Readers should also note that the high degree of uncertainty around the nature, timing and magnitude of climate-related risks, and the uncertainty as to how the energy transition will evolve, makes it difficult to determine and disclose the risks and their potential impacts with precision. Neither Glencore nor any of its affiliates, associates, employees, directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events, results, performance, achievements or other outcomes expressed or implied in any forward-looking statements in this document will actually occur. Glencore cautions readers against reliance on any forward-looking statements contained in this document, particularly in light of the long-term time horizon which this report discusses and the inherent uncertainty in possible policy, market and technological developments in future.

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Glencore operates in a dynamic and uncertain market and external environment. Plans and strategies can and must adapt in response to dynamic market conditions, joint venture decisions, new opportunities that might arise or other changing circumstances. Investors should not assume that our strategy on climate change will not evolve and be updated as time passes. Additionally, a number of aspects of our strategy involve developments or workstreams that are complex and may be delayed, more costly than anticipated or unsuccessful for many reasons, including (without limitation) reasons that are outside of Glencore's control.

There are inherent limitations to scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and that may or may not eventuate and scenarios may also be impacted by additional factors to the assumptions disclosed. Given these limitations we treat these scenarios as one of several inputs that we consider in our climate strategy.

Due to the inherent uncertainty and limitations in measuring greenhouse gas (GHG) emissions and operational energy consumption under the calculation methodologies used in the preparation of such data, all CO₂e emissions and operational energy consumption data or volume references (including, without limitation, ratios and/or percentages) in this document are estimates. There may also be differences in the manner that third parties calculate or report such data compared to Glencore, which means that third-party data may not be comparable to Glencore's data. For information on how we calculate our emissions and operational energy consumption data, see our latest *Basis of Reporting, Climate Report* and *Extended ESG Data*, which can be found on our website.

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