

GLENCORE

GLENCORE PLC

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NEWS RELEASE

Baar, 7 August 2024

2024 Half-Year Report Highlights

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

"We are pleased to report strong strategic achievements for the Group over the year to date. Our Industrial portfolio has been further streamlined with the sale of our Volcan stake and strengthened with the addition of a 77% interest in Elk Valley Resources (EVR). Our updated Climate Action Transition Plan (CATP) received more than 90% shareholder support at our 2024 AGM, the Swiss and Dutch government investigations have been resolved and our 2024 production guidance has been maintained and enhanced, with a skew to the second half of 2024.

"Critically, we have also clarified the immediate future of our coal and carbon steel materials business. Following completion of the acquisition of EVR in early July, we undertook an extensive consultation with shareholders and based on the outcome of that process and the Group's own analysis, Glencore's Board, considering both risk and opportunity scenarios, endorsed the retention, rather than demerger, of the coal and carbon steel materials business, as currently providing the optimal pathway for demonstrable and realisable value creation for Glencore shareholders.

"Some shareholders stated that this was a decision for the Board alone to make, but of the others, the overwhelming majority had a clear preference for retention. This was primarily on the basis that retention should enhance Glencore's cash-generating capacity to fund opportunities in our transition metals portfolio, such as our copper growth project pipeline, as well as accelerate and optimise the return of excess cash flows to shareholders.

"Against the backdrop of lower average prices for many of our key commodities during the period, particularly thermal coal, our overall Group Adjusted EBITDA of \$6.3 billion was 33% below the comparable prior year period, however Funds from Operations were up 9%, due to the timing of income tax payments. We reported a Net loss attributable to equity holders of \$233 million, after recognising \$1.7 billion of significant items, including c.\$1.0 billion of impairment charges.

"Reflecting healthy cash generation and after funding \$2.9 billion of net capital expenditure and \$1.0 billion of shareholder returns, Net debt, including Marketing-related lease liabilities, finished the first half at \$3.6 billion, down \$1.3 billion compared to \$4.9 billion at the end of 2023.

"From Net debt of \$3.6 billion, accounting for Marketing-related lease liabilities of \$1.0 billion, H2 cash outflows of \$6.9 billion for the EVR acquisition and the \$0.8 billion for the 2nd tranche of the shareholder distribution due, all else being equal deleveraging of just \$0.3 billion would be required to reach the reset c.\$10 billion net debt cap under our framework for excess return top-up payments, compared to at least \$5.3 billion of deleveraging that would have been required under the original demerger scenario.

"This relatively modest gap of \$0.3 billion, together with the \$1 billion Viterra cash disposal proceeds expected to be received over the next several months and noting the healthy current spot illustrative annualised free cash flow generation of c.\$6.1 billion, augers well for potential top-up shareholder returns, above our base cash distribution, in February 2025.

"The strength of our diversified business model across marketing and industrial has proven itself adept in a range of market conditions, giving us a solid foundation to successfully navigate the near-term macroeconomic uncertainty. We continue to remain focused on operating safely, responsibly and ethically and creating sustainable long-term value for all our stakeholders."

US\$ million	HI 2024	HI 2023	Change %	2023
Key statement of income and cash flows highlights:				
Revenue	117,091	107,415	9	217,829
Adjusted EBITDA [#]	6,335	9,397	(33)	17,102
Adjusted EBIT [#]	2,850	6,305	(55)	10,392
Net (loss)/income for the period attributable to equity holders	(233)	4,568	n.m.	4,280
(Loss)/earnings per share (Basic) (US\$)	(0.02)	0.36	n.m.	0.34
Funds from operations (FFO) ^{(2)#}	4,037	3,712	9	9,452

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US\$ million	30.06.2024	31.12.2023	Change %
Key financial position highlights:			
Total assets	120,690	123,869	(3)
Total equity	35,763	38,237	(6)
Net funding ^{(2,3)#}	29,360	31,062	(5)
Net debt ^{(2,3)#}	3,648	4,917	(26)
Ratios:			
Net debt to Adjusted EBITDA ^{(4)#}	0.26	0.29	(10)

1 Refer to basis of presentation on page 6.

2 Refer to page 10.

3 Includes \$952 million (2023: \$705 million) of Marketing-related lease liabilities.

4 H1 2024 ratio based on last 12 months' Adjusted EBITDA, refer to APMs section for reconciliation.

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 70 for definitions and reconciliations and to note 3 of the condensed consolidated interim financial statements for reconciliation of Adjusted EBIT/EBITDA.

2024 HALF-YEAR FINANCIAL SCORECARD

- \$6.3 billion Adjusted EBITDA, down 33%, primarily reflecting the normalisation of energy markets from the severe disruptions and volatilities seen over 2022/23
- Marketing Adjusted EBIT of \$1.5 billion, down 16% period-on-period, tracking on an annualised basis at \$3.0 billion. The lower energy contribution, reflecting prior period elevated volatilities, was partially offset by a strong metals performance in H1 2024
- Industrial Assets Adjusted EBITDA of \$4.5 billion, down 39%, primarily driven by a \$2.7 billion lower contribution from our coal operations, owing to the substantial average period-over-period declines in key thermal coal pricing benchmarks
- 2024 full year (ex-EVR) production guidance has been maintained, with production expected to be second-half weighted. EVR steelmaking coal volumes now incorporated into H2 guidance
- Net cash purchase and sale of PP&E: \$2.9 billion, up 15%
- Net income attributable to equity holders pre significant items: \$1.5 billion; Net loss attributable to equity holders: \$233 million
- Adjusted EBITDA mining margins were 28% in our metals operations and 31% in our energy operations

BALANCE SHEET

- Healthy H1 cash generation: after funding \$2.9 billion of net capital expenditure and \$1.0 billion of shareholder returns, Net debt finished the first half at \$3.6 billion compared to \$4.9 billion at the end of 2023
- Net funding, including lease liabilities, decreased to \$29.4 billion, aided by a \$0.4 billion reduction in readily marketable inventories
- Available committed liquidity of \$16.6 billion; bond maturities maintained around a cap of \$3 billion in any given year
- Net debt/Adjusted EBITDA of 0.26x (c.0.75x proforma for EVR) provides significant financial headroom and strength
- In June 2023, Glencore agreed to dispose of its interest in Viterra in a cash and shares transaction with Bunge. For its c.50% stake, Glencore will receive \$1.0 billion in cash and c.\$3.1 billion in Bunge stock (reflecting Bunge's stock price at the date of announcement and also currently as of 5 August 2024). The merger, which remains subject to regulatory approvals, is expected to close within the next several months
- Spot illustrative annualised free cash flow generation, including EVR, of c.\$6.1 billion from Adjusted EBITDA of c.\$17.3 billion

To view the full report please click www.glencore.com/rest/api/v1/documents/static/31bcbe31-4250-42cd-b6d8-1a7cb48efbd2/GLEN-2024-Half-Year-Report.pdf

To view the full report on the Johannesburg Stock Exchange portal please click here: <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/GLN/HY24Report.pdf>

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

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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 over 150,000 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 50 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 will support the global effort to achieve the goals of the Paris Agreement through our efforts to decarbonise 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 restated 2019 baseline, we are targeting to reduce our Scope 1, 2 and 3 industrial emissions by 15% by the end of 2026, 25% by the end of 2030, 50% by the end of 2035 and we have an ambition to achieve net zero industrial emissions by the end of 2050, subject to a supportive policy environment. For more information see our 2024-2026 Climate Action Transition Plan and the About our emissions calculation and reporting section in our 2023 Annual Report, available on our website at [glencore.com/publications](https://www.glencore.com/publications).

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Cautionary statement regarding forward-looking information

Certain descriptions in this document are 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; expectations regarding financial performance, results of operations and cash flows, climate scenarios; sustainability (including, without limitation, environmental, social and governance) performance-related goals, ambitions, targets, intentions and aspirations; approval of certain projects and consummation and impacts 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.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from any future event, results, performance, achievements or other outcomes expressed or implied by such forward-looking statements. Important factors that could impact these uncertainties include (without limitation) those disclosed in the risk management section of our latest Annual Report and/or Half-Year Report (which can each be found on our website). These risks and uncertainties may materially affect the timing and feasibility of particular developments. Other factors which impact risks and uncertainties include, without limitation: the ability to produce and transport products profitably; demand for our products and commodity prices; development, efficacy and adoption of new or competing technologies; changing or divergent preferences and expectations of our stakeholders; events giving rise to adverse reputational impacts; changes to the assumptions regarding the recoverable value of our tangible and intangible assets; inadequate estimates of resources and reserves; changes in environmental scenarios and related regulations, including, without limitation, transition risks and the evolution and development of the global transition to a low carbon economy; recovery rates and other operational capabilities; timing, quantum and nature of certain acquisitions and divestments; delays, overruns or other unexpected developments in connection with significant projects; the ability to successfully manage the planning and execution of closure, reclamation and rehabilitation of industrial sites; health, safety, environmental or social performance incidents; labor shortages or workforce disruptions; natural catastrophes or adverse geological conditions, including, without limitation, the physical risks associated with climate change; effects of global pandemics and outbreaks of infectious disease; the outcome of litigation or enforcement or

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regulatory proceedings; the effect of foreign currency exchange rates on market prices and operating costs; actions by governmental authorities, such as changes in taxation or regulation or changes in the decarbonisation policies and plans of other countries; breaches of Glencore's policy framework, applicable laws or regulations; the availability of sufficient credit and management of liquidity and counterparty risks; changes in economic and financial market conditions generally or in various countries or regions; political or geopolitical uncertainty; and wars, political or civil unrest, acts of terrorism, cyber attacks or sabotage.

Readers, including, without limitation, investors and prospective investors, should review and consider 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 particularly difficult to determine all potential risks and opportunities and disclose these and any potential impacts with precision. Neither Glencore nor any of its affiliates, associates, employees, directors, officers or advisers, provides any representation, warranty, assurance or guarantee as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward-looking information contained in this document or that 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 document discusses in certain instances and the inherent uncertainty in possible policy, market and technological developments in the future.

No statement in this document is intended as any kind of forecast (including, without limitation, a profit forecast or a profit estimate), guarantee or prediction of future events or performance and past performance cannot be relied on as a guide to future performance.

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Cautionary statement regarding climate strategy

Glencore operates in a dynamic and uncertain market and external environment. Plans and strategies can and must adapt in response to dynamic market conditions, changing preferences of our stakeholders, joint venture decisions, changing weather and climate patterns, new opportunities that might arise or other changing circumstances. Investors should assume that our climate strategy will 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. Our strategy will also necessarily be impacted by changes in our business.

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. GHG emissions calculation and reporting methodologies may change or be progressively refined over time resulting in the need to restate previously reported data. 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, see our latest Basis of Reporting, Climate Report and Extended ESG Data, which is available on our website.

Sources

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Information preparation

In preparing this document, Glencore has made certain estimates and assumptions that may affect the information presented. Certain information is derived from management accounts, is unaudited and based on information Glencore has available to it at the time. Figures throughout this document are subject to rounding adjustments. The information presented is subject to change at any time without notice and we do not intend to update this information except as required.

This document contains alternative performance measures which reflect how Glencore's management assesses the performance of the Group, including results that exclude certain items included in our reported results. These alternative performance measures should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance or position reported in accordance with IFRS. Such measures may not be uniformly defined by all companies, including those in Glencore's industry. Accordingly, the alternative performance measures presented may not be comparable with similarly titled measures disclosed by other companies. Further information can be found in our reporting suite available at [glencore.com/publications](https://www.glencore.com/publications).

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Sponsor

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